Daily Report

Central Eurasia

FBIS-SOV-94-116
Thursday
16 June 1994

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FBIS-SOV-94-116 *16 June 1994*

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DPRK Envoy Says Dialogue, Sanctions Incompatible

LD1506142194 Moscow ITAR-TASS World Service in Russian 1301 GMT 15 Jun 94

[By ITAR-TASS diplomatic correspondent Aleksandr Krylovich]

[Text] Moscow, 15 Jun (ITAR-TASS)—The introduction of any sanctions at all against Pyongyang and the holding of an international conference on the problem of the Korean peninsula's nuclear-free status are incompatible. This point of view was expressed today by DPRK Ambassador to Moscow Son Song-pil.

Replying to an ITAR-TASS correspondent's question, he said: "At one time we displayed an interest in the Russian proposal to hold an international conference. Our side based its position on the fact that such a forum would promote a solution to the accumulated problems around the negotiating table on the basis of equal rights and mutual respect. There was no question of any sanctions at that time. Now we clearly state: Sanctions and dialogue are incompatible."

Regarding the DPRK's departure from the International Atomic Energy Agency (IAEA), the ambassador announced that on 13 June his government officially informed the U.S. Administration of this, the latter being the depository state of the IAEA Charter. He stressed that recently all the cooperation with the IAEA boiled down to carrying out inspections of North Korean facilities which were of a "far from objective nature". The IAEA has practically neither the time nor the inclination for constructive cooperation in the development of the DPRK's peaceful nuclear program as envisioned by the charter of that organization, the diplomat said, .

"The longer we stayed in the IAEA the more vigorously our peaceful nuclear activity was being restricted," Son Song-pil stated. He considers that the resolution recently adopted at the Council of Administrators of the IAEA on the "North Korean nuclear problem" effectively signifies the introduction of sanctions. This, in his opinion, is what forced the DPRK Government to make the decision to leave the international agency.

As for the Treaty of Nonproliferation of Nuclear Weapons, the ambassador said the DPRK reserved the right to so-called "special status". This is because his country announced its departure from the treaty but then declared its "temporary suspension."

Calls IAEA Resolution 'Start of Sanctions'

SK1606111894 Moscow Radio Moscow in Korean 1100 GMT 16 Jun 94

[Text] Son Song-pil, DPRK ambassador in Moscow, has said that the Korean [choson] Government withdrew from the International Atomic Energy Agency [IAEA] because this agency's Board of Governors had recently adopted a resolution on the North Korean issue.

During a news conference, Ambassador Son Song-pil stressed that the IAEA Board of Governors' adoption of the resolution meant, in reality, the start of sanctions against the DPRK.

Ambassador Son Song-pil also declared that imposing sanctions against Pyongyang and convening an international conference on the denuclearization of the Korean peninsula were in no way compatible.

Russian Official: DPRK Has No Nuclear Bomb

LD1506140094 Moscow ITAR-TASS in English 1340 GMT 15 Jun 94

[By ITAR-TASS correspondent Anna Bakina]

[Text] Moscow June 15 TASS—"North Korea does not have a nuclear bomb. There might have been insignificant research developments in this field which have most likely started the conflict with the International Atomic Energy Agency," a Russian top official said.

Speaking at a news conference at the Russian-American press centre in Moscow on Wednesday, Lev Ryabev, first deputy minister of nuclear engineering, denounced North Korea's decision to withdraw from the IAEA.

He did not rule out the possibility that this step is North Korea's response to the threat of sanctions made by other members of the nuclear non-proliferation treaty. Ryabev believes that the nuclear problem in North Korea could be solved by peaceful, diplomatic means.

Speaking about the possibility of shutting down Russian nuclear power plants which use Chernobyl-type reactors, Ryabev noted that some of them will be modernised, others reequipped in order to increase their safety.

CIS Chambers of Commerce Leaders Meet in Bishkek

LD1606095494 Moscow ITAR-TASS in English 0808 GMT 16 Jun 94

[By ITAR-TASS correspondent Boris Mainaev]

[Text] Bishkek June 16 TASS—The heads of the national Chambers of Commerce and Industry of the Commonwealth of Independent States opened a conference on Thursday in the Kyrgyz capital of Bishkek. The main items on their agenda are ways to implement earlier-signed and soon-to-be signed economic agreements between the CIS countries, and meetings with influential Kyrgyz businessmen.

The two-day conference is being attended by 14 representatives from the CIS and one of the heads of the Estonian Chamber of Commerce and Industry.

ITAR-TASS Carries Press Review for 16 Jun

LD1606060994 Moscow ITAR-TASS in English 0507 GMT 16 Jun 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 16 ITAR-TASS—"The president is resolutely supporting the Central Bank of Russia as the single federal body the regulation of which is Moscow's exclusive prerogative," ROSSIYSKAYA GAZETA writes today. "It is not only that local authorities have been trying to command Central Bank subsidiaries on their territories. The president's approach is dealing the final blow to the smoldering plans for turning the Bank of Russia into something resembling the U.S. Federal Reserve system with characteristically high autonomy of the regional banks within the system, plans resolutely opposed by the present leadership of the Central Bank".

The same newspaper carries an interview with Colonel-General Vyacheslav Trubnikov, the first deputy chief of the External Intelligence Service, who stresses that "as concerns the composition of the world's top league of intelligence services and the place different services occupy in it, we have always been in that league and, I would like to believe, we shall always remain in it. I am sure that should the personnel of our rival services be placed in the conditions in which the Russian Intelligence Service now finds itself, many would not be able to cope. While ours are serving and will continue to serve".

NEZAVISIMAYA GAZETA carries an open appeal of Russian and foreign specialists to the president, government and Federal Assembly of the Russian Federation, which reads, "Russia has three key sources of its unique potential for effective development and a sure place among the world's leading nations. First of all, the country has immense reserves of fuel-and-energy and mineral resources, fertile land and other natural riches. Russia's per capita resource potential is twice that of the United States, six times that of Germany and 18-20 times that of Japan. Secondly, Russia has a unique potential in its army of highly-qualified specialists and scientists capable of solving the most complex problems in the field of science, technology and production. And at last thirdly, it has a mighty production base which is second to none in a number of fields. Nonetheless, a striking contrast exists between the country's colossal potential for prosperity and the bleak reality. Regrettably, Russia's economic potential has been used not to ensure its prosperity but to pay the cost of abortive economic experiments".

Commenting on the situation in Tajikistan the same newspaper says "eighteen months have elapsed since the end of open civil war in Tajikistan. But the triumph of "anti-Islamists" has brought about no long-awaited stability to the republic. There is no single Tajikistan any more. The republic is divided into dwarfish semi- feudal states with their regional armies and leaders. Incidentally it is not the traditional strongholds of the opposition which are the greatest danger to Dushanbe but the regions where the advent of the new power was greeted with enthusiasm in the not so recent past".

NOVAYA YEZHEDNEVNAYA GAZETA centers around the situation on the Korean peninsula: "It is quite possible that the story about the North Korean nuclear potential is another political bluff. When the winner bluffs people tend to believe him. If the bluff is eventually called, the loss will be relatively painless for one side, but the nerves of the less fortunate partners, already strained in the course of the game, might snap, and then more and more faulty moves are likely to be made".

ROSSIYSKIYE VESTI comment on the same situation: "In the opinion of the majority of the countries no state can be granted "a special status" under the Nuclear Non-Proliferation Treaty as sought after by North Korea. This is most important not only for nuclear security on the Korean peninsula but also for non-proliferation in the whole world, because precedent might be created which will tempt other states which wish to join the nuclear club".

KOMSOMOLSKAYA PRAVDA reports that "the presidential staff and the security council are thinking about a merger of the Federal Counter- Intelligence Service and the Main Directorate of Guards of the Russian Federation. If the merger takes place, the new service will probably be headed by Mikhail Barsukov who is now chief of the directorate. FCS Chief Sergey Stepashin is likely to be appointed first deputy".

According to KRASNAYA ZVEZDA, "the leadership of Georgia believe that the beginning of Russia's peacekeeping operation in Abkhazia will accelerate the settlement of the conflict in the region. That Russia's politicians and military have taken up the settlement of the conflict is, in their opinion, a sing of Russia's peacemaking potential for resolving conflicts on the territory of the former Soviet Union".

SOVETSKAYA ROSSIYA publishes an interview with Army General Valentin Varennikov who refused to be amnestied for his role in the August 1991 putsch and demanded a new trial. The general said in the interview: "I understand that the authorities do not need the trial, they would rather have me agree to the amnesty. On the other hand since I put up a resistance, they undoubtedly feel like teaching me a lesson and demonstrate that all other members of the GKCHP (the State Committee for State Emergency which planned the abortive coup) are guilty. I do not rule out such a turn of events. But I still hope that we have people capable of doing justice impartially, on the basis of law".

PRAVDA reports that "while in Irkutsk Aleksandr Solzhenitsyn condemned Communism, the Soviet era and the changes now underway in the country. He said "Gorbachev destroyed the system that was, but it should not have been destroyed. It should have been revivified very slowly from below - beginning with the distribution of plots of land, with the organisation of small workshops and retail outlets". The writer added that "reforms are proceeding without a plan. The deregulation of the prices is robbery, privatisation is playing into the hands of criminals, and it should be dealt with by prosecutors and investigators. We now have oligarchy and not democracy". Solzhenitsyn was also skeptical about the Civic Concord agreement.

Kozyrev Criticizes UN Draft Resolution on Korea

LD1606113094 Moscow ITAR-TASS World Service in Russian 1018 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[Text] Moscow, 16 Jun—Minister of Foreign Affairs of the Russian Federation Andrey Kozyrev today levelled criticism at the Security Council draft resolution released by the American delegation to the United Nations, on a settlement of the situation on the Korean peninsula. In his words, the draft resolution contravenes the accords reached in the course of the conversations beteen the presidents of Russia and the United States.

One can only express perplexity at the fact, he said, that "the American diplomats have released in New York a draft resolution containing a list of specific sanctions." Andrey Kozyrev said this was done by the American side despite the fact that during the telephone conversation between Presidents Boris Yeltsin and Bill Clinton, and then during the Russian Federation foreign minister's telephone conversation with U.S. Secretary of State Warren Christopher "it was agreed absolutely clearly to act jointly, to work out a draft resolution jointly and not to put forward unilateral unitiatives."

"The release of such a draft resolution unilaterally will cause us serious difficulty in examining this document," A. Kozyrev stated. "We will not in any event support the range of sanctions which is being put forward without previous agreement with us."

For its part, Moscow, as indeed the heads of the two states agreed, A. Kozyrev announced, conveyed confidentially to the American side its own proposals on a draft resolution. They include both the idea of sanctions and specific ideas on an international conference on questions of security and the nuclear-free status of the Korean peninsula. In keeping with the accords of the presidents and of the heads of the foreign policy deparlt-ments of the Russian Federation and the United States, in the resolution both these elements should be contained on an equal footing.

Expressing the opinion that "the work will be continued," A. Kozyrev at the same time stressed that "the unilateral actions of the American diplomats in New York only compiicate the matter."

Says Sanctions 'Last Resort'

LD1506131394 Moscow INTERFAX in English 1219 GMT 15 Jun 94

[Text] Russian Foreign Minister Andrey Kozyrev said today that North Korea must respect the treaty on non-proliferation of nuclear weapons.

He said in an interview that he had information proving that North Korea had prepared a statement on withdrawal from International Atomic Energy Agency. However, the secretariat of the agency has as yet received no similar official statement.

Kozyrev underlined that if North Korea violated the Non- Proliferation Treaty, there would be no other way out but to impose sanctions. Kozyrev pointed out that the sanctions must be imposed gradually and be considered a last resort.

Kozyrev spoke in favor of an international conference initiated by Russia so that China, Japan, Korea, Russia, the U.S.A., France, Britain and other members of the UN Security Council could make the issue clear for themselves since North Korea had put forward a number of explanations of its position.

Kozyrev emphasized that North Korea must continue to participate in the Non-Proliferation Treaty and observe the conditions put forward by the International Atomic Energy Agency.

Ready To Meet With Christopher

LD1606112094 Moscow ITAR-TASS World Service in Russian 1046 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[Text] Moscow, 16 Jun (TASS)—Russian Foreign Minister Andrey Kozyrev today confirmed that he was prepared to meet U.S. Secretary of State Warren Christopher in the near future to agree on a common approach to a settlement of the situation on the Korean peninsula. An accord on such a meeting of the heads of the foreign policy departments of the two countries was reached in the course of the telephone conversation the other day between Boris Yeltsin and Bill Clinton.

Speaking in a talk with journalists about the date for this dialogue, Andrey Kozyrev said, among other things: "As for the meeting of ministers of which the presidents spoke, I proposed to my friend and colleague Warren Christopher specific dates for this meeting, and I am awaiting a reply from him on specific dates. It goes without saying that I am prepared to meet in the nearest future and at a time convenient for both sides, in order to continue the work as the presidents agreed, that is, to work out a joint approach to this extraordinarily complicated question."

Russia, U.S. Coordinating Against DPRK 'Nuclear Blackmail'

PM1606093594 Moscow IZVESTIYA in Russian 16 Jun 94 p 3

[Report by Maksim Yusin: "Moscow and Washington Trying to Work Out Unified Position on Korean Crisis"]

[Text] Pyongyang's statement that it is quitting the International Atomic Energy Agency, sharply exacerbating the situation on the Korean Peninsula, leaves Russia and the United States facing the need to work out a unified position so as to counter Kim Il-song's nuclear blackmail more effectively.

Tuesday's phone call between Boris Yeltsin and Bill Clinton was mainly devoted to the Korea crisis. Judging by the statement made by the Russian president after the conversation, the Moscow and Washington positions are now essentially similar [sushchestvenno sblizilis]. The United States, as Yeltsin put it, no longer objects to the Russian idea, put forward a few months ago, of holding an international conference on Korea. The Kremlin, for its part, has agreed to discuss at this forum the question of introducing sanctions against the DPRK—U.S. diplomats are insisting on on the need for them.

The Korean problem will be one of the main points on the agenda for the talks to be held very shortly between Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher. The exact date is not yet known. President Yeltsin had gotten somewhat heated and told journalists that Kozyrev would be flying to Brussels to meet with his U.S. colleague virtually tomorrow. But it transpired that the secretary of state has a Near East tour planned and will only be able to see the Russian minister once it is over.

As of the morning of 15 June the Russian Foreign Ministry and the State Department had not yet coordinated the question of a timetable for the forthcoming meeting.

IZVESTIYA was told by Kozyrev's entourage that, apart from the situation on the Korean Peninsula, the minister and secretary of state plan to discuss preparations for the Russian president's visit to the United States, scheduled for September.

Foreign Ministry on 'Great Concern' Over DPRK

LD1506132194 Moscow ITAR-TASS World Service in Russian 1210 GMT 15 Jun 94

[By Itar-Tass diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 15 June—The DPRK's departure from the International Atomic Energy Agency (IAEA) has been received with great concern in Russia. This was stated at a briefing today by Mikhail Demurin, deputy head of administration of the Information and Press Department of the Russian Federation Foreign Ministry .

"Our fundamental position is well known and remains immutable. Russia favors strengthening the regime of nonproliferation of nuclear weapons and favors transparency of nuclear programs so that no doubts or fears will arise concerning the possibility of attempts to create nuclear weaponry. It is especially important that a state which is a member of the treaty and which has an agreement with the IAEA on guarantees should honestly and consistently fulfill its obligations. If this has not been done or is not being done, then the international community has the right to react appropriately," the Russian diplomat said.

Withdrawal From IAEA Viewed

LD1506160094 Moscow INTERFAX in English 1348 GMT 15 Jun 94

[Text] Russia is deeply concerned over the withdrawal of North Korea from the International Atomic Energy Agency (IAEA).

"Our principal position is well known and remains the same. Russia stands for a stronger non-proliferation regime and for transparent nuclear programs so that there be no fear of possible attempts to create nuclear weapons," Russian Foreign Ministry Spokesman Mikhail Demurin said at a briefing in Moscow today.

He said it was especially important that a state participating in the non-proliferation treaty and in an agreement with the IAEA fulfill its obligations. "If this was not done or is not done, the world community has the right to an adequate response," Demurin said.

Official Comments

LD1506162794 Moscow NTV in Russian 1500 GMT 15 Jun 94

[Text] Mikhail Beliy, director of the First Asia Department in the Foreign Ministry, in an interview today to our television company, told us about Russia's reaction to N. Korea's withdrawal from the IAEA.

[Begin Beliy recording] We are not inclined to dramatize the DPRK's Announced withdrawal from the IAEA since we proceed from the basis that the DPRK remains a participant-member of the Non- Proliferation Treaty, and therefore has an agreement with the IAEA within the framework of that treaty. Therefore, inspections of nuclear sites in the DPRK should continue.

We are in close contact with the other five permanent members of the UN Security Council and we are beginning to prepare a draft resolution. An agreement has been reached that, in the very near future, the Russian foreign minister and the U.S. secretary of state will meet. [end recording]

Russia believes that tough UN sanctions against the DPRK is an extreme measure. However, if there is going to be talk of sanctions, then Russia will insist that they must be gradual and also take into account its own interests.

Foreign Ministry Still Favors Conference on DPRK

PM1606090994 Moscow ROSSIYSKAYA GAZETA in Russian First Edition 16 Jun 94 p 6

[Article by Boris Filippov: "Dangerous Test of Strength. Pyongyang Does Not Intend to Yield"]

[Text] The unresolved state of the crisis connected with the verification of the DPRK's nuclear potential is making the situation in the East Asian region more complex by the hour, reviving gloomy recollections of the bloody Korean war into which the United States, China, and the USSR were also drawn. Discussions concerning the checking of nuclear installations in North Korea are giving way to open threats about the use of force, including military force.

The situation is dangerous because in the event of an armed conflict, apart from the North and South Korean Armies, the 40,000-strong U.S. corps stationed in the south of the peninsula will also be drawn into it.

North Korea has completed preparations for war on the Korean peninsula, but as yet there are no particular signs in its steps of readiness for armed provocations against Seoul. ROK Defense Minister Yi Pyong-tae stated as much on Thursday, reading a report in the military commission of the South Korean parliament.

From what he said, toward the end of July 1993 a special staff was created in the DPRK to prepare for war, and weapons and other military industry output were accumulated in underground stores. Long-range self-propelled guns and rocket launchers, presenting danger to the South Korean capital, were placed in the foremost position near the DMZ dividing the peninsula.

According to information from North Korean sources in Moscow, if there is an armed conflict, all eight nuclear electric power stations on the territory of South Korea could be targets for bombing strikes.

After that, so specialists believe, Chernobyl will look like a light-hearted prelude to a real tragedy.

The Japanese SANKEI SHIMBUN, citing the manual circulated among servicemen of the American contingent in South Korea, has published figures about the correlation of forces on the Korean peninsula. Becuase its forces are inferior to the U.S. and South Korean forces opposing them in terms of technical equipment, intelligence and tracking systems, and targeting and guidance systems, the DPRK is trying to compensate for this with enhanced maneuverability, training for action at night and in poor visibility, and concentrating troops in the main salients, and also by numerical superiority. In the event of an attack, the DPRK will outnumber the combined American and South Korean forces in manpower by six to one, in tanks and armored vehicles by five to one, and in artillery by eight to one.

A possible attack, the newspaper believes, could be organized in three directions: Along the west and east coasts of the peninsula, and also down the central valley. The most important role, U.S. intelligence believes, will be played in this by the 60,000-strong DPRK special-purpose crack troops, whose mission is to disrupt enemy rear services.

"If Japan heads or joins any sanctions against the DPRK we will consider this a declaration of war, and Japan will not escape proper retribution," a North Korean Foreign Ministry statement transmitted by the KCNA agency says.

The worsening crisis is highlighting completely new problems concerning North Korea's nuclear potential. As THE NEW YORK TIMES believes, "North Korea could complete the process of enriching the nuclear fuel recently removed from its nuclear reactor in Yongbyon and obtain enough plutonium to make four or five bombs by the end of this year."

At the same time THE WASHINGTON TIMES, citing well-informed sources, writes that the operation to remove fuel from the nuclear reactor in Yongbyon has caused "renewed" alarm in U.S. intelligence departments. In this connection, concern is being expressed that Pyongyang "could" pass on a nuclear device, fissile materials, or technology to certain states in the Near East. The potential buyers are being named as Iran, Iraq, Libya, and Syria.

The powers with a profound interest in resolving the crisis on the Korean Peninsula have not yet arrived at a unanimous opinion on what action to take in the immediate future.

The United States has drawn up a draft UN Security Council resolution providing for the imposition of an economic embargo against Pyongyang but has not yet familiarized other countries with its text. This was reported to THE NEW YORK TIMES by "U.S. officials" at the UN headquarters.

According to South Korean President Kim Yong-sam, "the most urgent task at present is for the UN Security Council to adopt a resolution on the introduction of sanctions against North Korea."

Moscow, despite increasing appeals to the DPRK over the suspicions that it is developing its own nuclear weapons, still believes that this problem should be resolved within the framework of the international conference proposed by Russia in accordance with the "six plus two" formula. This was confirmed in an interview with ITAR-TASS by Russian Federation Deputy Foreign Minister Aleksandr Panov.

"Our position remains as before: We advocate a conference at which this question must be resolved," the high-ranking Russian diplomat said. "Since the dialogue failed at the bilateral level, it must be resolved on a multilateral level."

This initiative has not yet met with support.

China is opposed to the use of sanctions against the DPRK, a spokesman for the PRC Foreign Ministry declared Thursday, reporting on the working talks between PRC Foreign Minister Qian Qichen and ROK Foreign Minister Han Sung-chu on the nuclear problem on the Korean Peninsula.

The speediest resumption of talks is the best way to resolve the DPRK nuclear problem. The use of sanctions can only exacerbate the problem and increase confrontation between the sides involved, the PRC Foreign Ministry spokesman pointed out.

The likelihood of separate U.S., Japanese, and South Korean sanctions against the DPRK is "extremely low" at present—so said a Japanese Foreign Ministry leadership spokesman at a Tokyo meeting Wednesday with foreign policy experts from the Liberal Democratic Party, the leading opposition party.

Tokyo does not believe, however, that there is any point in the present situation in giving serious study to Russia's proposals for holding an international conference on the Korean Peninsula with the participation of the two Korean states, China, Russia, the United States, Japan, the United Nations, and the International Atomic Energy Agency. The ITAR-TASS Agency was told this by a senior Japanese Foreign Ministry official.

He pointed out that Tokyo now intends to try to resolve the problem of Pyongyang's nuclear program mainly on the basis of close consultations with the United States and South Korea.

Kozyrev To Present Report on DPRK to Duma

LD1606041094 Moscow Mayak Radio Network in Russian 0130 GMT 16 Jun 94

[Text] The State Duma will hear a report from Russia's foreign minister on the situation surrounding the Korean People's Republic on 17 June. Minister of Defense Pavel Grachev will also be invited to the Duma on that day, from whom the deputies are expecting to find out more about Russia's peace-keeping forces in Transcaucasia in connection with the Georgian-Abkhazian conflict.

DPRK Nuclear Aims 'Absolutely Unacceptable'

PM1606081794 Moscow IZVESTIYA in Russian 15 Jun 94 p 5

[Article by Aleksandr Platkovskiy: "Why Does the Great Leader Need a Big Bomb?"]

[Excerpt] [passage omitted]

Anything Can Be Hidden in Catacombs

In the summer of 1990 Eduard Shevardnadze, who was foreign minister at the time, conducted exhaustive talks with the North Koreans, trying to explain to them the necessity of Moscow's imminent diplomatic recognition of Seoul. His Pyongyang counterpart, Kim Yong-nam, was under orders from Kim Il-song to employ every means to block Moscow's move, a move which undermined the leader's [vozhd] concept of the existence of a "sole legitimate state" on the Korean peninsula—the DPRK. Having exhausted the range of diplomatic devices, Kim Yong-nam produced what was intended to be the trump card: Pyongyang "will consider itself free of all commitments not to create nuclear weapons" if Gorbachev starts cooperating with the "South Korean puppets."

Shevardnadze countered the blackmail bid in his characteristic emotional and trenchant manner. He attached no significance to the threat. Meanwhile Moscow did not believe in the seriousness of reports that American spy satellites had detected installations in North Korea for reprocessing nuclear fuel waste into plutonium.

The Russian intelligence service continues to deny today that Pyongyang has installations for manufacturing nuclear weapons. Our experts think that the North Koreans are banking on producing highly accurate intermediate- and long-range missiles. They can be equipped with chemical, bacteriological, or conventional warheads. These systems are sufficient, in our experts' opinion, for the purpose of "nuclear deterrence." There are nine nuclear electric power stations operating in South Korea, and a missile strike on them would be equivalent in its effect to a nuclear raid.

Our military specialists are struck by the naivete of the Americans in trusting the information supplied by their satellites: The North Koreans would never build a secret installation in the open. The North Koreans conceal all their strategic plants either underground or deep inside mountains, and these facilities are like whole cities on many levels. The North Koreans have built up a wealth of experience in this sphere since the war in the fifties.

There is nothing surprising in the fact that our and the American intelligence services differ in their assessments, although it may be that this is not a case where the truth will emerge out of controversy. CIA Director James Woolsey obviously has strong grounds for stating that there is proof that the DPRK has at least two nuclear weapons. According to the U.S. intelligence department chief, Pyongyang will be producing 10 to 12 nuclear weapons per year in the future.

Cat-and-Mouse Games

Pyongyang signed the Treaty on the Nonproliferation of Nuclear Weapons in 1985. Just seven years later the North Koreans permitted inspectors of the International Atomic Energy Agency [IAEA] to carry out monitoring procedures.

IAEA representatives arrived in Yongbyon and made the North Koreans acknowledge that they had produced 98 grams of plutonium "for research purposes" from reactor waste in 1990, but investigation then established

that this was not produced at the time indicated by the North Koreans. The inspectors threw up their hands in despair: How could they believe the statements that the North Koreans had no interest in plutonium—it was deception. What they were doing in Yongbyon all the time there was no verification taking place could only be guessed at.

Another critical situation arose quite recently. It served as grounds for the IAEA to ask the UN Security Council to examine the possibility of introducing sanctions against the DPRK.

A while ago the IAEA received information that in 1989 the Yongbyon reactor had been shut down in unscheduled fashion for 100 days. The inspectors suspected something untoward: The shutdown of the reactor could have been used to remove some of the fuel rods and extract 10 to 16 kg of plutonium from them. The CIA immediately calculated that North Korea would be able to make four or five nuclear bombs with this plutonium. Patience was exhausted. An indignant Secretary of State Christopher demanded firm and resolute measures. Kim Il-song should not escape sanctions.

What Is In the Leader's Mind?

A trade blockade is futile without the agreement of China, which supplies the DPRK with 70 percent of its oil and 60 percent of its food. Beijing opposes sanctions against its ally. Logic suggests that in the event of a vote in the Security Council China would use its veto and block sanctions. Kim Il-song calculates that this is indeed what would happen and thus rests assured. Meanwhile he is making threatening gestures, stating that the DPRK will respond to a trade war by a real war.

What, then, is to be done about Kim Il-song? The first option is to introduce sanctions in one way or another and, if China refuses to go along with this, to do so sidestepping the Security Council, risking a conflict on the peninsula provoked by the North Koreans, with consequences which are difficult to guess. The second option is to resign ourselves to Kim Il-song's concealing plutonium for military purposes from the IAEA.

This latter scenario is absolutely unacceptable. Not just because it allows (even if only theoretically) the emergence of a new nuclear power—the very idea of it fills you with dread. The most dangerous thing—Washington, Moscow, Seoul, and Beijing are agreed on this—will be the undermining of the international arrangements governing nonproliferation. And that will be a real nightmare.

But the first option is frightening by virtue of its unpredictability.

Observers come to the discomforting conclusion that there will be no sensible solution to the Korean nuclear problem at all as long as the present regime, which is concerned about its own survival and the upcoming transfer of power from Kim Il-song to his son, Kim Chong-il, exists in Pyongyang. Even if Washington does give diplomatic recognition to Pyongyang—this is precisely what Kim Il-song is seeking, offering to freeze nuclear developments in exchange—North Korea will find another way of keeping some other kind of "infernal secret" for new bargaining or blackmail purposes.

N. Koreans Expelled for Nuclear Parts Purchase Attempt

SK1506142694 Seoul KBS-1 Radio Network in Korean 1300 GMT 15 Jun 94

[Text] The INTERFAX News Agency reported today that Russia has recently ferreted out and expelled five North Koreans who had tried to obtain parts to be used for nuclear bombs.

The INTERFAX News Agency reported that a Russian counterespionage agency had ferreted out and arrested North Koreans who had tried to obtain parts for nuclear weapons in Yuzhno Sakhalinsk, the capital city of Sakhalinsk.

Without revealing any personal details about them, the Russian counterespionage agency has only disclosed that North Korea's espionage activities in the Russian territory are a matter of special concern of the Russian counterespionage agency.

ITAR-TASS Reports Deportations

LD1506182994 Moscow ITAR-TASS in English 1743 GMT 15 Jun 94

[Text] Moscow June 15 TASS—Five North Korean citizens were deported from Russia several months ago for showing too much interest in nuclear components, the Federal Counterintelligence Service press centre said on Wednesday.

North Koreans Caught Smuggling Heroin

MK1606074094 Moscow SEGODNYA in Russian, 16 Jun 94 p 1

[Igor Galichin report under the "Contraband" rubric: "Kim Il- song Regime Increases Infiltration Into Russia. North Korean Citizens Bring Eight Kilograms of Heroin Into Russia"]

[Text] Your SEGODNYA correspondent has learned from competent sources that a successful operation was conducted in Maritime Kray a few days ago to stop an attempt to smuggle heroin from North Korea into Russia. The operation in this case was mounted simultaneously by several agencies: the Russian Ministry of Internal Affairs Directorate for Combating Illicit Turnover of Drugs; the kray internal affairs administration; the Pacific Fleet Counterintelligence Service; border troops; and the local directorate of the Federal Counterintelligence Service. According to information available to the editorial office, the events developed in the

following manner: On 9 June, operatives held two citizens of the North Korea on suspicion of smuggling in a big amount of narcotics from the territory of the DPRK. Their names have not been disclosed at the investigation's request. The detectives' expectations were justified: The check turned up eight kilograms of heroin in the possession of these citizens. Both North Koreans were arrested. Criminal proceedings have been instituted. The DPRK is a unique enclave where a Stalinist regime has been preserved in a classical form. The population in that country is under total surveillance by the special services, and to go abroad one has to go through the strictest screening. To smuggle such a large amount of the narcotic from North Korea without the deliberate connivance of the authorities appears most improbable. The value of the heroin seized from the DPRK citizens is $1 million at the going rate on the world drugs market, which is all the more impressive against the backdrop of the economic plight of Kim Il-song's regime.

Stepashin on PRC, DPRK Operations in Far East

OW1606093894 Vladivostok Radio Vladivostok Network in Russian 0210 GMT 16 Jun 94

[From the "Lunch Hour Break" program]

[Text] Sergey Stepashin, director of the Federal Counterintelligence Service [FSK], who is touring the Far East, today gave a news conference in Vladivostok. Stepashin gave the reasons for his Far East tour as: The increased counterintelligence activities of the Japanese, North Korean, and Chinese intelligence services in this region of Russia; the upcoming Federation Council discussions on Russian border issues; and to get acquainted with working conditions in regional FSK departments to find out how the Russian president's edict on combating organized crime and banditry will be implemented in practice.

According to the FSK director, the Chinese and North Korean intelligence services are actively recruiting people, and studying military technology and the drug business in the Far East territory.

Stepashin also said the document on joint action to implement the president's edict on combating organized crime will soon be signed with the Russian Internal Affairs Ministry. In the FSK director's opinion, this edict is very tough and even disagrees with some statutes of Russian law, but it is extremely necessary given current conditions. The document specifically permits not only lengthening the period of investigation, but also gives the right to legalize operational and technical information and hand it over to the court.

DPRK Spying Causes 'Special Anxiety'

MK1606080094 Moscow SEGODNYA in Russian 16 Jun 94 p 1

[Ivan Shomov report under the "Chuche" rubric: "Kim Il-song's Regime Increases Penetration Into Russia. Moscow Worried Over DPRK Special Services' Activity"; first two paragraphs published in a box]

[Excerpts] State Duma Deputy Vladimir Lukin told the public recently that Russia ought not to be guided by "ideological considerations" in relations with North Korea. He was thereby actually urging that it be treated almost the same as normal states. In the meantime, world community flare-ups with that country will obviously continue as long as the chuche idea has a state shape. This is a quite natural state of things.

Of course, the United States and the other countries shaping today's geostrategic balance cite rather sober arguments as the basis for a tough reaction to the North Korean threat. For example, a nuclear bomb in the hands of the irresponsible leaders of the chuche state is capable of scaring anyone. And if these leaders are bluffing, the very scale of the deception makes one believe that they are capable of unleashing a conventional war as well.
[signed] SEGODNYA

Sergey Stepashin, head of the Russian Federal Counterintelligence Service, stated at a press conference in Yuzhno-Sakhalinsk yesterday that the activity of the DPRK special services causes "special anxiety" in his agency. To give an example, he recalled the deportation from Moscow of five North Korean citizens who tried to take out of the country what are called "components of nuclear arms production." [passage omitted]

Despite the fact that North Korea has long overstepped all the permitted limits, Russian Foreign Minister Andrey Kozyrev stated yesterday that international sanctions against the "nuclear blackmailers" from the DPRK "should be phased" and be regarded "as the last resort."

Chernomyrdin Meets With Vietnamese Premier

LD1606075994 Moscow ITAR-TASS in English 0738 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondents Andrey Bychkov and Andrey Krylov]

[Text] Moscow June 16 Tass—"I hope that all questions concerning cooperation between Russia and Vietnam will be resolved in the course of the present round of talks between Russia and Vietnam," Russian Prime Minister Viktor Chernomyrdin said at the start of his talks with Vietnamese counterpart Vo Van Kiet in Moscow.

A source close to the government of the Russian Federation told ITAR-TASS that "the road is now clear" to the signing of the treaty of friendly relations between the Russian Federation and the Socialist Republic of Vietnam.

This major document and a number of specific Vietnamese-Russian agreements are expected to be signed after Viktor Chernomyrdin and Vo Van Kiet wind up their talks.

Vo Van Kiet on Prospects For Treaty

LD1606123294 Moscow ITAR-TASS in English 1201 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent Sergey Bychkov]

[Text] Moscow June 16 TASS—Vietnamese Prime Minister Vo Van Kiet remains optimistic about prospects of signing a bilateral treaty with Russia. "Talks with the Russian side are going on productively. The new interstate treaty has been in general agreed upon which is very important", he told TASS on Thursday and added that the document would be signed after certain improvements.

The treaty was scheduled to be signed today. However, the delegations failed to eliminate various disagreements, TASS learned from sources close to the Russian Government.

Sources from the Vietnamese delegation explained to TASS that the disputed issues include prospecting and production of oil and natural gas by the joint "Vietsovpetro" venture, the problems of the Vietnamese community in Russia, as well as the Russian naval base in Cam Ranh. Vietnam wants to revise its leasing terms. Besides, agreement is yet to be reached on the role of the United Nations in the world and the Vietnamese debt to Russia.

Treaty Signing Postponed

LD1606111194 Moscow ITAR-TASS World Service in Russian 1002 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondents Andrey Bychkov and Andrey Kirillov]

[Text] Moscow, 16 Jun (TASS)—Talks between Russian Prime Minister Viktor Chernomyrdin and Vo Van Kiet, the Prime Minister of the SRV Government, were concluded at noon today. Incidentally, the signing of the treaty on the basis of friendly relations between the two countries and other documents, which was expected immediately after the conclusion of talks, has been postponed until this evening.

Answering an ITAR-TASS correspondent's question, Viktor Chernomyrdin stated that "in fact, there are no disagreements between us." Explaining the delay regarding the signing of Russian- Vietnamese documents, the head of the Russian Government noted that during a discussion "technicalities" arose, which require further work on the part of specialists. Thus, he added, the signing is being postponed until this evening. "We are convinced," Chernomyrdin stressed, "that we and Vietnam have all the possibilities and potential to increase traditional cooperation in the trade-economic, technical, scientific—as well as other—spheres".

For his part, Vo Van Kiet agreed with the assessment of the talks given by the Russian prime minister and added: "We need some time to better prepare these documents."

ITAR-TASS correspondents have learned from well-informed sources close to the Vietnamese delegation that disagreements in the position of the sides arose on the following issues: the problem of settling the debt of Vietnam to Russia, which the latter inherited from the former USSR, the conditions for the Russian Navy's use of the base of Cam Ranh, and a range of issues relating to Vietnamese citizens residing in Russia.

No Signing 16 Jun

LD1606094694 Moscow ITAR-TASS World Service in Russian 0845 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondents Andrey Kirillov and Andrey Bychkov]

[Text] Moscow, 16 Jun [TASS]— The treaty on the basis of friendly relations between the Russian Federation and the SRV, which had been prepared for signing by the Russian and Vietnamese governments, will not be signed today, an ITAR-TASS correspondent has been told by circles close to the Russian Government.

According to sources close to the Vietnamese delegation, the questions of the United Nations' role in the world and Vietnam's debt to Russia, following its succession from the former USSR, still need to be agreed upon.

According to Vietnamese sources, questions of the prospecting and joint extraction of oil and gas by the "Vetsovpetro" enterprise and problems of the Vietnamese community in Russia also remain unsolved. Nor has agreement been reached on the question of the base at Cam Ranh, as Vietnam has put forward a proposal to review the conditions of its lease.

Kozyrev Confers With Vietnamese Counterpart

LD1506171494 Moscow ITAR-TASS World Service in Russian 1601 GMT 15 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[Text] Moscow, 15 Jun—Russian Foreign Minister Andrey Kozyrev today met Vietnamese Foreign Minister Nguyen Manh Cam in a Foreign Ministry mansion. Nguyen Manh Cam arrived in Moscow together with Vietnamese Prime Minister Vo Van Kiet.

"We have many interests in common with Vietnam.... Our Vietnamese friends are our wealth in Southeast Asia," the head of the Russian foreign political department said at the beginning of his conversation with his Vietnamese counterpart.

It is not Nguyen Manh Cam's first visit to Moscow as Vietnamese foreign minister. Earlier he worked here as his country's ambassador for some years.

Cites 'Landmark' Visit

LD1506192894 Moscow ITAR-TASS in English 1915 GMT 15 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[Text] Moscow June 15 TASS—Vietnamese Prime Minister Vo Van Kiet's current visit to Moscow is a landmark in the development of Russian-Vietnamese relations, Russian Foreign Minister Andrey Kozyrev said on Wednesday.

Kozyrev met with his Vietnamese counterpart Nguyen Manh Cam who is accompanying Vo Van Kiet on his visit to Russia.

Kozyrev stressed that Russia "builds relations with its old friends on a new basis." He noted that Russia and Vietnam have big mutual interests, including in the political sphere. He described relations between the two countries as "very concrete, good, strong and friendly."

Nguyen Manh Cam pointed out that Vietnam pays much attention to the strengthening of relations with the countries with which it has traditional ties, primarily Russia. "We value our friendship very much," he said.

Comments on DPRK Sanctions

LD1506172694 Moscow ITAR-TASS World Service in Russian 1645 GMT 15 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[Text] Moscow, 15 Jun—If the world community introduced sanctions against North Korea this would be an extremely unfavorable turn of events, Russian Foreign Minister Andrey Kozyrev said today answering an ITAR-TASS correspondent's questions after meeting the Vietnamese Foreign Minister Nguyen Manh Cam.

The head of the Russian foreign political department recalled that Russia had put forward a proposal to convene a multilateral conference on the security and non-nuclear status of the Korean peninsula, and it is currently being debated along with other ideas. There is a proposal to introduce sanctions. We believe that, unfortunately, this can happen but this would be an extremely unfavorable turn of events, as much as the DPRK's complete break with the nuclear nonproliferation regime, the Russian minister said.

That is why, he continued, we propose to hold a conference so that one does not have to resort to these extreme measures, although, of course, the situation is very alarming and the announcement of the DPRK leaving the IAEA is a highly negative event.

I must say, Kozyrev added, that IAEA guarantees are enshrined in the Treaty on the Nonproliferation of Nuclear Weapons and not in an agreement with the IAEA itself. I do not think that everything has already been lost and hope that the door is still ajar. That is why we think that the conference might give an opportunity to all its participants, including the DPRK, to find a better solution than the decision to break the nonproliferation regime, which will make confrontation with the world community unavoidable.

Nguyen Manh Cam Comments on Korea

LD1506195494 Moscow ITAR-TASS in English 1926 GMT 15 Jun 94

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[Excerpt] Moscow June 15 TASS—[passage omitted] Commenting on the situation on the Korean Peninsula, following North Korea's decision to withdraw from the IAEA, [Vietnamese Foreign Minister] Nguyen Manh Cam told ITAR-TASS after his talks with [Russian Foreign Minister] Kozyrev that there is still hope that the conflict can be settled through negotiations.

He called for "finding such a solution which would respect the sovereignty and independence of all countries."

Yeltsin To Visit Corfu During EU Summit

LD1606083294 Moscow ITAR-TASS in English 0721 GMT 16 Jun 94

[Text] Moscow June 16 ITAR-TASS—Russian President Boris Yeltsin will visit the Greek island of Corfu soon to sign an agreement on partnership and cooperation between Russia and the European Union.

A European Union summit is due to take place on the island on June 24 and 25. Greek Foreign Minister Karlos Papoulias on June 3 handed over to the Russian president a message from Prime Minister Andreas Papandreou of Greece, the current president of the European Union, who expressed the hope that the agreement between Russia and the European Union would be signed during the EU summit on Corfu.

Churkin To Visit London for Talks on Bosnia

LD1506142494 Moscow ITAR-TASS World Service in Russian 1250 GMT 15 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 15 Jun—Russian Deputy Foreign Minister Vitaliy Churkin is flying to London today to discuss the whole range of problems connected with ways to settle the conflict in former Yugoslavia. He is expected to hold talks with representatives of the member states of the so-called "contact group." This was announced at a

briefing today by Mikhail Demurin, deputy head of the Information and Press Department of the Russian Federation Foreign Ministry.

"The visit is to be viewed in the context of the overall efforts of the Russian Federation aimed at finding ways to a peaceful settlement in the region and at preparing a second meeting on Bosnia between the foreign ministers of Russia, the United States, and five countries of the European Union. The Russian side put forward the initiative to hold such a meeting some time ago," Demurin said.

Karadzic Praises Russia's 'Objective Attitude'

LD1506202694 Belgrade TANJUG in English 2019 GMT 15 Jun 94

[Text] Moscow, June 15 (TANJUG)—Bosnian Serb President Radovan Karadzic said in Moscow on Wednesday that Russia had an objective attitude and was strongly and sincerely committed to peace in Bosnia, unlike the United States which he said was favouring the Bosnian Moslems and was, deplorably, not sincerely for peace.

Winding up his visit to Moscow, Karadzic said that Russia was not siding with the Serbs, but understood the Serbs' problems and was striving to find solutions which would be equally just or equally unjust to all three parties to the Bosnian conflict.

Speaking to Yugoslav reporters in Moscow, Karadzic asked whether it was possible to reach peace if only one side—viz. the Serbs—was working for it. He wondered that individual circles in the United States were supporting the fundamentalist, pro-Iranian regime in Sarajevo.

They have not only caused the war in Bosnia, but are keeping it alive with their skillful game of imposing unacceptable solutions on the Serbs and then accusing them of prolonging the war, Karadzic said and added that the Serbs did not want Russia to enter into a confrontation with the West because of them.

He explained that the Russian Parliament understood that the Serbs' peace efforts were sincere, that they had made better offers at the latest talks in Geneva, but had finally accepted a compromise for the sake of peace, even if it had to be for only a month.

At Geneva, the Bosnian Serb side had offered a ceasefire for a year, the international community proposed one for four months, but the Moslems and Croats, after painstaking negotiations, finally agreed to only a month's suspension of hostilities.

Karadzic said that the size of territory in the division of Bosnia was not the biggest problem in the matter of territorial delimitations, and that the Serbs were willing to agree to the offer of 49 percent of Bosnia (as against 51 percent for the Moslem-Croat federation) if they were given the right quality of territory.

He said that agreement could easily be reached if, for example, the Serbs were to get Sarajevo and Tuzla, but added that percentages as a means of dividing territory should be abandoned.

The important thing is that both the Moslem-Croat federation and the Bosnian Serb republic should be viable states, he explained. The Serbs are taking into consideration the Moslems' need to have a compact state, and the international community must take the same approach to the Serb state, he added, insisting that the Bosnian Serb state must not be scattered around like five Nagorno-Karabakhs, but that it too must be compact.

Bosnian Serb Leader Urges Lifting Sanctions

PM1606095794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Jun 94 p 3

["Exclusive" Interview with Bosnian Serb Leader Radovan Karadzic by Sergey Moshechkov: "Are the Politicians in Bosnia Really Going to Become Psychotherapists Again? In Conversation with Your KOMSOMOLSKAYA PRAVDA Correspondent, Bosnian Serb Leader Radovan Karadzic Was Extremely Frank"]

[Text] Until the beginning of the nineties, Radovan Karadzic was not well known in Yugoslavia. He was known in medical circles as a promising psychiatrist. Lovers of Serbian poetry used to read his sometimes very interesting doggerel. Karadzic's name could also be heard in sporting circles: He worked as a psychotherapist for the well-known Yugoslav soccer clubs Red Star and Sarajevo.

Now everyone in the Balkans knows him. And not only in the Balkans.

To some he is virtually an international criminal. To others, a fighter for his people's liberation. But no matter how diametrically opposed the assessments of the Bosnian Serb leader's actions may be, you cannot deny the obvious.

During the three years of the Yugoslav crisis Dr Karadzic has matured as a politician, possessing qualities essential for that job: diplomacy and toughness, tolerance and flexibility. He knows when to "beat the drum," when to "back off," and how to smile even when saying a categorical "no, never."

The Russian authorities tried for a long time not to notice the leader of the self-proclaimed Serb Republic in Bosnia and were happy to allow the Russian opposition the right to make contact with him first. Today the leaders of the Russian Foreign Ministry, the chairmen of the State Duma and the Federation Council, and the top church hierarchy are in contact with R. Karadzic. During his present visit to Moscow he hopes to gain admission to the Kremlin.

KOMSOMOLSKAYA PRAVDA managed to talk with R. Karadzic after his talks with A. Kozyrev, who told him unambiguously that Moscow has no intention of showing the Bosnian Serbs any favor. However, Karadzic did not take offense at that. And he answered our questions patiently.

He began by talking about himself.

[Karadzic] I am 49. Before the war I had a good professional practice and I considered myself quite a wealthy man. My wife is also a psychotherapist. We spent a long time learning our craft—in the United States and Britain. Our children decided to follow in their parents' footsteps. My daughter is completing her medical training and my son is just starting out now. Admittedly they are not very fond of studying. My daughter is working at a press center, my son is serving in the police reserve. We all live in our "Serb Sarajevo"—Pale, the capital of the Serb Republic in Bosnia.

Before the war I was a very fortunate man. I had a happy family, good friends, a job that I liked, and poetry for my soul. I was keen on soccer, especially when I was working with our soccer clubs.

I took virtually no part in politics. I belonged to the Communist Party in my early youth—we were enrolled in it without being asked. As I grew older I considered myself a dissident, although I did not take part in any actions.

However, my friends and I could not remain indifferent when Yugoslavia disintegrated. In Bosnia the old ideology of World War II began to be revived, but with the introduction of a new and very dangerous element—Islamic fundamentalism. In the forties that ideology led to the deaths of 1.5 million Serbs. We really did not want a repetition of that genocide, which is why we entered the political struggle in the first place. We created a Serb democratic party. My friends made me join. Then there were elections, we entered parliament, and there was no longer any way back to peaceful scientific work for me.

Nevertheless, after the war I hope to return to my profession. I dream of opening a large, modern psychiatric clinic in my homeland together with my friends. Especially since staff for that clinic are already being trained in my own family.

[Moshechkov] Do you see any preconditions right now for the establishment of peace in the former Yugoslavia?

[Karadzic] The only pleasing thing is that the armistice that was signed in Geneva is being observed on the whole at the moment, if you disregard local clashes. Generally speaking, the situation is quite bad. The Americans are supporting the Muslims and are trying to lift the embargo on arms supplies to them. But no one has any intention of lifting the economic sanctions on the Serbs even though, I can assure you, that would be the shortest route to peace. Lifting the sanctions against us would mean the complete defeat of the Muslim side's plans for our "economic demise" and would also show that the world community takes an unprejudiced attitude to us.

[KOMSOMOLSKAYA PRAVDA] Does that mean that the economic situation in the Serb Republic in Bosnia is desperate?

[Karadzic] We are not desperate at all. Our enterprises are producing three times as much output as is needed for domestic consumption. There is enough fuel and food. There is even a surplus, which needs to be sold.

The Yugoslav dinar is our basic unit of currency. Just as in Serbia, it is equal to the German mark [as published]. But it is very difficult to maintain such a situation under sanctions.

[KOMSOMOLSKAYA PRAVDA] How do you see Bosnia's future? How many states will there be here? What will the Serb Republic's status be?

[Karadzic] It is hard to say how many states there will be. But it is accurate to say that it will not be one state. We Serbs dream of being with Yugoslavia as an independent federal unit or part of Serbia. If that does not happen, we will live autonomously. Reunification is inevitable in the future anyway.

Just as unification with the Muslims is impossible. Incidentally, the world community has begun to understand that Believe me, we are not opposed to Islam or Catholicism. But we will not allow those religions to suppress the Orthodox faith.

[KOMSOMOLSKAYA PRAVDA] The question of the division of the territory has been the main issue at the talks on a Bosnian settlement for a long time. The Serbs presently control 73 percent of that territory, before the war they owned 64 percent, and you are being offered 49 percent. Will you accept that?

[Karadzic] That will depend on the quality of the lands that we are offered. Perhaps we will agree to less if we get Sarajevo and Tuzla, for example (is that a joke?—S.M. note).

[KOMSOMOLSKAYA PRAVDA] What can you tell us about Moscow's position in the Yugoslav crisis?

[Karadzic] Russia is in a difficult situation now. It faces many acute problems. We understand that. And we are very grateful to the Russian people for showing us their understanding and sympathy. We regard Russia's diplomatic activity in the international arena as impartial and independent, notably with regard to the Bosnian crisis. However, the same cannot be said about other members of the world community. Of course we want Russia to be on our side, but we have no right to expect that.

The main thing, though, is that in Moscow we sense a revival of interest in the Balkans. This means that Russia is thinking about the future of its borders and the prospects for relations with its closest historical neighbors.

'Additional Contingent' Sent To Yugoslavia

PM1506152994 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 94 p 1

[Report by Aleksandr Oliynik: "Trains Carrying Hardware Leave for Yugoslavia"]

[Text] Ryazan—Two military trains carrying men and combat hardware for the Russian contingent of "Blue Helmets" within the UN forces set off for the former Yugoslavia 12 and 13 June.

The trains have been dispatched with 200 servicemen, 44 armored personnel carriers, and other hardware, your KRASNAYA ZVEZDA correspondent was told at Airborne Troops headquarters by Major General Mikhail Sidorov. The dispatch of an additional contingent of the Russian Army with hardware and weapons is being carried out with the knowledge and consent of the UN Security Council.

World Bank To Grant 1 Billion Dollar Credit

LD1506140194 Moscow Radio Rossii Network in Russian 1300 GMT 15 Jun 94

[Text] The World Bank plans to give Russia a new credit of 1 billion dollars. The accord on the credit is to be signed next week during the forthcoming visit to the United States by Russian Prime Minister Viktor Chernomyrdin. Half of the funds provided will be allocated to the fuel and energy complex and the other half to private farms.

Duma Speaker Rybkin Departs on Visit to Germany

LD1506171794 Moscow ITAR-TASS in English 1651 GMT 15 Jun 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow June 15 TASS—Russian Parliament Speaker Ivan Rybkin left for Germany on an official visit on Wednesday at the invitation of the Bundestag chairwoman Rita Suessmuth.

During the four-day visit the Russian delegation led by Rybkin plans to study the activity of the German parliament and exchange views on the development of interparliamentary relations between the two countries.

The agenda of the visit also includes meetings and talks with members of the German Government, the leaders of the leading political parties' factions in the German parliament.

Russian parliamentarians are also expected to visit one of the units of the western group of Russian troops.

Hopes for Trustworthy Relations

LD1606122794 Moscow ITAR-TASS in English 1206 GMT 16 Jun 94

[By ITAR-TASS correspondents Pavel Kuznetsov, Gennadiy Kulbitskiy, and Gennadiy Temenkov]

[Text] Bonn June 16 TASS—"Parliaments of Germany and Russia must work hard to elaborate the agreements reached by Boris Yeltsin and Helmut Kohl during the Russian president's visit to Federal Germany in May," Chairman of the State Duma (lower chamber of Russian parliament) Ivan Rybkin told journalists on Thursday after his meeting with the federal chancellor of Germany.

The speaker of the State Duma noted it was his first meeting with the head of the German Government and he hopes trustworthy relations may be established between him and the federal chancellor similar to those between the Russian president and Helmut Kohl.

Ivan Rybkin also said during the meeting Helmut Kohl and he were discussing history of the two countries' relations, which "in its greater part was a period of good relations and interaction for the good of our two nations."

Speaking of perspectives for cooperation between parliaments of Russia and Germany, the speaker said he had always stood for cooperation to be absolutely specific, that is "at the level of committees." At [as received] that, Rybkin said, if need be, it would be extremely useful to acquire experience of law-making activity of German parliament.

Swiss Foreign Minister Arrives on Official Visit

LD1506213094 Moscow 2x2 Television in Russian 2055 GMT 15 Jun 94

[Text] On the evening of 15 June, Swiss Foreign Minister Flavio Cotti arrived on an official visit to Moscow. As RIA was informed at the Russian Foreign Ministry, he is returning a visit by Russian Foreign Minister Andrey Kozyrev to Switzerland last year. The visit marks their continuation of regular contacts on bilateral relations and cooperation in the international arena.

To Meet With Kozyrev

LD1606103794 Moscow ITAR-TASS World Service in Russian 0114 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondent]

[Excerpts] Moscow, 16 Jun—European security and the role of the CSCE in strengthening its foundations, the situation in the former Yugoslavia, and NATO's "Partnership for Peace" initiative are the subjects that are expected to be the focal point of Russian- Swiss talks in Moscow today. They will be held this morning between Russian Foreign Minister Andrey Kozyrev and Flavio Cotti, federal adviser and chief of the Swiss Foreign Affairs Department. [passage omitted]

Mikhail Demurin, a spokesman for the Russian foreign political department, said in Moscow on Wednesday that a protocol on cooperation between the Russian Foreign Ministry and the Swiss Federal Department of Foreign Affairs is expected to be signed during the talks. "Since a political dialogue between the sides has been developing constructively as of late," the diplomat said, "one may be confident that there are good prospects for Russian-Swiss cooperation."

Russia-NATO Relations Examined at Istanbul Forum

PM1606092194 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 6

[Report by Boris Filippov: "NATO: Its View of Moscow. Regarding the Results of the North Atlantic Cooperation Council Session in Istanbul"]

[Text] The session of the North Atlantic Cooperation Council [NACC] which was held last week in Istanbul has demonstrated both the definite desire of the NATO states and a number of East European countries, primarily Russia, to find spheres of cooperation in the new situation following the Cold War, and also the difficulties of implementing them.

The present session is called upon to determine its attitude toward the Russian Federation within the NATO system, NATO Deputy Secretary General Sergio Ballanzino stated at its opening. This question, he said, is the most important one on the agenda of this exceptionally important forum. Russia is the only superpower in Europe and it will continue to maintain this position in the future. We attach great significance to cooperation with Russia.

For his part, Russian Foreign Minister Andrey Kozyrev indicated certain features in Russia's understanding of the position and dynamics of the development of military-political structures in Europe.

The creation of a new architecture of security in Europe cannot take place without Russia's participation, and still less, be aimed against it, the French LE FIGARO writes. The NATO countries, according to the newspaper, have determined a strategy for their actions which would meet two objectives: First of all, the establishment with Moscow of a "broad, individual, and far-reaching partnership program" based on "dialogue about common objectives in those spheres in which Russia is making a specific and important contribution." The second task, the newspaper believes, is "not to give in to pressure from the Russians," who take a dim view of "NATO's right to adopt its own decisions." Moscow will not be given the right of veto.

According to the Russians' ideas, Radio Liberty said in a broadcast, NATO should be subsumed into a new collective security system under the aegis of the CSCE. This would automatically place Russia on the same level as other participants in this organization, notably the United States.

Having theoretically decided for itself the question of the need to strengthen cooperation with NATO, and in particular through the "Partnership for Peace" program, Russia, which still possesses the acknowledged status of a nuclear superpower, is demonstrating its desire to play a fitting role in partnership relations with the North Atlantic alliance. Time will tell to what extent the NATO leaders will take this into account in their strategy.

Shaposhnikov on Changing NATO Role

MK1506102094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 24, 12-19 Jun 94 (Signed to press 14 Jun 94) p 5A

[Article by Marshal of Aviation Yevgeniy Shaposhnikov in the "In the World" column: "What I Would Take to NATO"]

[Text] If mutual extremism in assessments is ignored for a while, the logical question arises: Why, after the abolition of the Warsaw Pact, the breakup of the Soviet Union, the reunification of Germany, and the pullout of our troops from Eastern Europe, has the NATO bloc not dissolved itself too? And why, moreover, is it beginning to expand?

It is no secret that for several years now the bloc members have been casting around for a rationale for its existence. One of such "finds" is the Partnership for Peace program, which allows NATO to exist in a new, expanded composition, with camouflaged claims to establishing a "new world order." This can be seen in the obvious attempts to turn NATO into a UN muscle force (for instance, in Yugoslavia) and its aspiration to control the situation not only within the bloc's framework but also in other regions of the world.

The invitation to join the program has confronted Russia with a responsible choice. In the event of unqualified signing of the Partnership, NATO's influence will stretch to the borders with China, which will not only upset the balance of forces in the East but could also revive confrontation with our eastern neighbor. If Russia does not sign the Partnership, it could find itself in isolation while NATO pushes up against its borders. This could be followed by the erosion of trust between Russia and the West, which would provide fertile ground for restoring the "Cold War." Raising the question of a special role for Russia in the Partnership is not the best possible option because it is perceived negatively by other partners (due to analogies with the Molotov-Ribbentrop pact).

The most appropriate option for us would be one which, on the one hand, would save Russia from an unacceptable choice and, on the other, reaffirm its role as a

member of the world community capable of proposing formulas matching Russia's authority and shared by other countries.

In my opinion, today the world community needs not military blocs but more civilized mechanisms for regulating their relations. Such mechanisms exist: the United Narions, the CSCE, and others. With some qualifications, the CIS can also be ranked among such organizations. But under the new conditions none of them is effective enough to ensure real trust and security. Therefore, the need arises, on the one hand, to improve both the worldwide organization (the United Nations) and regional organizations (the CSCE, CIS, and so forth), and, on the other, to transform military blocs into peacekeeping civilian mechanisms which would become constituent elements of these organizations. Herein lies the essence of a bloc-free existence of states. And this is precisely what Russia can propose.

The worldwide organization would attend to general and more important questions, while regional organizations would deal with specific ones (ecological, economic, social, information, security, and so forth), thereby complementing each other. Each of them should also have military bodies with peacekeeping force contingents which could be brought into action by decision of the United Nations or at the request of its regional structures at early stages in the evolution of a conflict and also in the event of natural disasters, accidents, and catastrophes and also for humanitarian deliveries. It is advisable to train such (coalition) peacekeeping contingents at special training centers in the regions (for action under tropical conditions, in mountain/desert terrain, and so forth) with maximally standardized equipment and control and support facilities, developed on a competitive basis. Therefore the military force of various states would have one common enemy: reckless adventurism, extremism, and terrorism.

Consolidation, let alone expansion, of one military bloc is hardly an alternative to this concept. It will serve not the creation of a new world order but a unipolar system which is unstable by definition. Naturally the NATO bloc today is not ready to dismantle itself for a number of reasons. The main one among them is the absence of confidence among its leaders that democratic processes in Russia are irreversible. But if there is such lack of confidence, why then should Russia be confident that the Partnership will only be good for it?

Russia and other CIS states have done much more in the name of trust than all the NATO countries, and more than the world community expected. Russia not only closed all loopholes undermining trust but is now beginning to retrench its interests and its authority. What will come next? It is difficult to make forecasts, but they could be deplorable not only to Russia. A most reassuring response from NATO would be its readiness to reorganize itself as a peacekeeping structure, say, of the CSCE, with Russia and other states participating in it on an equal footing.

New U.S. Strategic Command Structure Eyed

PM1606102194 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 94 p 3

["Military Review" by Doctor of Military Sciences Professor Apollon Lelekhov: "United States Improving Command and Control of Strategic Offensive Forces"]

[Text] The organizational structure and procedure for the command and control of U.S. nuclear strategic offensive forces which existed until recently took shape back in the early sixties. It was then that the first ICBM's were placed on combat standby in the United States. Along with heavy strategic bombers, they were organizationally part of the USAF's Strategic Air Command (SAC) set up at the time. But, unlike the ICBM's and strategic bombers, nuclear missile submarines (SSBN's) were not made part of SAC. They were subordinate to fleets operating in the Atlantic, Pacific, and Mediterranean.

Thus the U.S. strategic nuclear triad that came about at that time was not a unified formation. Operational command and control of ICBM's and strategic bombers was effected by the Joint Chiefs through their command centers and the SAC command, with command and control of nuclear submarines and their ballistic missiles being effected by the Joint Chiefs through their command centers and a system of special communications aircraft. As for administrative control—responsible for force organizational development, material and technical provision and other types of logistics and supply, and combat training—it was exercised by the USAF SAC command in respect of ICBM's and strategic bombers, and by the relevant fleet commands in respect of SSBN's.

Although this system for the organization and command and control of U.S. strategic offensive forces was occasionally criticized, it existed right up to 1993, when an improvement was made to the structure and system of command and control. SAC was disbanded. It was replaced by the U.S. Armed Forces' Joint Strategic Command (JSC), which is operationally subordinate to the chairman of the Joint Chiefs. All the combat-ready forces of the U.S. nuclear triad—ICBM's, strategic bombers, and SSBN's—have been transferred to the JSC's jurisdiction.

Why did the U.S. military leadership reform the organizational structure of its strategic offensive forces and abolish SAC?

The main objective was to enhance the effectiveness of the combat use of strategic offensive forces by optimizing their command and control under the new conditions of the disposition of forces in the world and the adoption in the United States of a military strategy termed a "regionally oriented" strategy [strategiya "regionalnoy napravlennosti"]. The U.S. military-political leadership has for the first time clearly separated the two lines of command and control of all strategic offensive force systems—the operational and

the administrative. Operational leadership is now handled by the Joint Chiefs and the JSC, which control all combat-ready strategic offensive forces.

Administrative control of the strategic offensive forces has not been united. Currently it is exercised in the following way—ICBM forces are administratively controlled by the USAF Space Command (which includes the 20th Air Army), and strategic bombers are administratively controlled by the newly created USAF Air Combat Command (ACC), which organizationally includes all strategic aviation. As for the administrative control of nuclear submarines equipped with ballistic missiles, those functions remain under naval command and directly with the Pacific and Atlantic Fleet commands.

In the opinion of the U.S. military leadership, this reorganization of strategic offensive forces and command and control systems should lead to a significant enhancement of their combat capability and ensure centralization, efficiency, and flexibility on the part of the U.S. strategic leadership.

The idea of reorganizing the structure and system of the command and control of U.S. strategic offensive forces was carefully analyzed and discussed in advance. It was phased in beginning in 1991. Measures to enhance the efficiency of the system for command and control of the strategic offensive forces and the global system for the operational command and control of the U.S. Armed Forces as a whole were carried out first. Then improvements will be made in terms not only of organizational structure but also of technology, taking account of new technological developments in the sphere of the development of information systems, communications equipment and systems, and computers.

The JSC Command and Headquarters are located at Offutt military base (Nebraska). Planning for the combat use of all U.S. strategic offensive forces is carried out by the Joint Chiefs under a single—or, as is sometimes said—integrated, operations plan.

That is the state of play with regard to the organizational restructuring and reorganization of command and control of the U.S. strategic offensive forces.

The U.S. strategic nuclear forces have 1,000 ICBM launch vehicles, including 50 MX ICBM's and 950 Minuteman 2's and 3's. They have more than 2,200 nuclear warheads.

The U.S. strategic nuclear forces have 199 strategic bombers, including 85 B-1B's and 114 B-52's. They have around 1,700 nuclear warheads.

The U.S. strategic nuclear forces have 30 nuclear submarines with ballistic missiles, including 27 with Trident ballistic missiles and three with Poseidon ballistic missiles. In total they have 600 submarine-launched ballistic missiles and more than 4,000 warheads.

Foreign Ministry on Abkhazia Peacekeeping Role

LD1506133194 Moscow ITAR-TASS World Service in Russian 1214 GMT 15 Jun 94

[By diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 15 Jun (ITAR-TASS)—The peacekeeping operation in Abkhazia can begin only after a positive decision to that effect is made by the Federation Council of the Russian Federal Assembly. This view was expressed at a briefing today by Mikhail Demurin, deputy head of the press and information department of the Russian Federation Foreign Ministry.

He said that a reconnaissance group of generals and officers from the Russian Defense Ministry has been in Abkhazia since 14 June with the aim of organizing the deployment of a Russian contingent which would be part of the joint peacekeeping forces in the Abkhaz- Georgian conflict zone.

"Analysis of the situation has shown that any further delays in the deployment of peacekeeping forces may lead to unpredictable consequences," Mikhail Demurin said.

No Additional Gas Supplied to Georgia

LD1506135194 Moscow INTERFAX in English 1224 GMT 15 Jun 94

[Text] Russia is refusing to supply additional Russian gas and raw oil to Georgian oil processing factories. "Extraction of fuel and energy in Russia is falling, investments for the development of the oil and gas industry are being reduced and this cannot but affect our relations with our partners," a top-ranking employee from the Russian Fuel and Energy Ministry reported to the Oil Information Agency.

He added that "if there is a surplus, gas will be pumped via Ukrainian territory to Western Europe to prevent the disruption of exports."

A total of 6.9 billion cubic meters of gas are shipped annually along the Vladikavkaz-Tbilisi pipeline, 2.7 billion cubic meters of which are intended for Armenia.

Officials at the Fuel and Energy Ministry recognize that shipments of Russian raw oil to Georgia for reprocessing in the republic are not possible due to the fact that Russian oil processing enterprises do not work to their full capacity.

Observers believe that this problem can be partially solved thanks to the setting up of joint Russian-Georgian ventures to extract or re-process oil in the Tyumen region. The ministry is ready to render assistance to interested enterprises both in Russia and Georgia.

"The issue of Russia's participation in the corporatization of the Georgian port of Poti cannot be solved positively because Russia intends primarily to render its

financial support to Russian sea ports for their reconstruction and development," reported the employee.

Grachev Transcaucus Visit Deemed Success

PM1506110394 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 94 p 1

[Vladimir Gavrilenko report: "Military Diplomacy Strengthens Russian Positions in the Transcaucasus. And This Has the Region's Support. Those Are the Results of Russian Defense Minister Pavel Grachev's Visits to Yerevan, Tbilisi, and Baku"]

[Text] How right the wise man was who gave the world many centuries ago this brief but profoundly meaningful phrase: Everything is relative. He may not have thought then that a thousand years later people would use it to assess their past, weigh up their present, and look to the future. Thanks be to the wise man....

In spring 1993 Pavel Grachev inspected the 145th Motorized Rifle Division of the Group of Forces in the Transcaucasus and the Gudauta airborne troops. It was then that he told journalists who besieged him in Batumi that Russia has always had and will continue to have national interests in the Transcaucasus. What a hullabaloo that caused.... This elicited an extremely irritable reaction from the Transcaucasian capitals. What hasn't the Russian military minister been accused of! Imperial thinking, aggressiveness, an unwarranted incursion into lofty politics.... But Pavel Grachev did not counter the insults. He kept himself in check. Since he realized that time and events would provide the best commentary.

A year has elapsed. And the Transcaucasian states, our former Union brothers, have passed this year in an amazingly similar fashion. Azerbaijan and Armenia have exhausted one another in the war in Karabakh. Georgia has proudly and unsuccessfully tried with weapon in hand to get back Abkhazia. Ostentatiously turning their backs on Russia the heads of states sought patrons elsewhere. It is needless to say blasphemous to compare diplomacy to soccer, but I will run that risk: Fortunes fluctuated during the game, but the ball is round, as they say. And the result is what counts. There were no sponsors to be found in the direct sense of the word. Cautious advice was provided. And a little help.

Aircraft carrying humanitarian aid have indeed begun to be heard in the skies of the Transcaucasus, but nothing more. People in the capitals of the Transcaucasus have probably begun to realize that turning their backs on Russia is tantamount to fouling their own nest and flying in the face of history [metit pod katok istorii]. And, regrettably enough, one once again has to realize that the "notorious" wheel of history cannot be stopped. And that Russia does indeed have and will continue to have its interests in the Trancaucasus. And there where people have always spoken ironically of Pavel Grachev's diplomatic efforts and statements, he has suddenly begun to be eulogized and his visits to each of the capitals have begun and ended with an honor guard and the thunder of a military band. And it suddenly became clear amid this thunder that not only do Russia's interests in the Transcaucasus really exist, but the Transcaucasus states themselves are committed to ensuring that the interests of Russia and the Transcaucasus do not wane....

The Russian defense minister's visit to the Transcaucasus lasted over three days. In Yerevan Pavel Grachev saw that the Armenian leadership has no false illusions as to the nature, scale, and intensity of the development of Russian-Armenian relations in the military sphere. In their view, tackling the question of creating some kind of coalition organ for the whole Transcaucasus is a thing of the future.

The previous accord on retaining the two base components of the Russian Army as defined and envisaged by the relevant provisions of the interstate agreements and the norms of international law, on increasing the number of personnel, and giving Russian troops in the republic greater mobility while tangibly strengthening Air Force and Air Defense Force facilities was reaffirmed.

Tbilisi also clearly manifested a desire to change the Russian troops' status to the base principle taking as a foundation for this the Russian troops' current stationing locations. The sides agreed to set up groups of experts to draft decisions on this matter. Pavel Grachev's "drop" into Gudauta for a few hours and his meeting there with Abkhazia's head, Vladislav Ardzinba, was due to his desire to clarify the whole problem of bringing Russian peacemakers into the Georgian-Abkhazian conflict zone. That seems to have been done and the sides—Georgian and Abkhazian—are satisfied. So the peoples are waiting for the peacekeepers.

In Baku people were waiting for Pavel Grachev to confirm his intentions regarding the subsequent development of military cooperation. In particular, the Azerbaijanis displayed interest in the creation of a common air defense system with Russia. Talks on the Russian early warning station can also be considered successful: The station will operate; Azerbaijan also has an interest in that. As for the Karabakh conflict, Geydar Aliyev could not say anything more than that he is ready to observe the cease-fire and so the question of bringing Russian peacemakers into the Armenian-Azerbaijani conflict zone remains open.

Those are the results of Russian Defense Minister Pavel Grachev's visit to the Transcaucasus. Despite the lack of concrete accords in Baku, the results can be considered successful. The current round of military diplomacy strengthens Russia's positions in the Transcaucasus.

So are we returning to the Transcaucasus? Perhaps we have not even left? At least we have not left the hearts and minds of the peoples.

India Considers Buying Russian SU-30 Fighters

LD1606113694 Moscow ITAR-TASS in English 1101 GMT 16 Jun 94

[By ITAR-TASS correspondent Alexey Kuznetsov]

[Text] New Delhi June 16 TASS—India is looking into the possibility of buying a batch of Russian SU-30 fighter planes. A high-ranking delegation from India's military department, headed by Air Force Vice-Marshal Krishnaswami, has already departed for Russia, ITAR-TASS learned from a reliable source.

The Indian delegation intends to visit the Irkutsk aviation factory, which produces the SU-30 planes, and to hold several meetings with leaders in Russia's defence industry. Indian pilots will take the fighter out for a test flight, after which the contract negotiations will enter their final phase.

According to ITAR-TASS sources, Russia is ready to give India enough credits to buy 20 SU-30 fighters and to purchase a production license for the planes. India plans to manufacture them at the aviation factories in Nasik (Maharashtra State). This order should help India take advantage of the production capabilities it built up for the MiG-27 Soviet fighters-bombers, whose production license will soon run out.

Indian specialists stress that the Russian SU-30, equipped with all the latest technology, is as good as the American F-18 and the European "Tornado", and is superior to the F-16 and the French "Mirage-2000".

The Russian fighter has powerful weapons: a 30-mm gun and ten rockets of various kinds. It is also equipped with the capability to refuel in mid-flight, which widens its ability to search out and destroy air and land targets.

Fishermen, PRC Border Guards Clash on Argun River

LD1606112994 Moscow Radio Rossii Network in Russian 1000 GMT 16 Jun 94

[Text] The Russian border guard has made a statement to China on its illegal actions during an incident on the Argun River in Amur Oblast. Chinese servicemen and Russian fishermen clashed on the border river on 12 June, and a Russian citizen was injured.

Kozyrev Cited on Closer Cooperation With CIS

LD1606094994 Moscow ITAR-TASS in English 0922 GMT 16 Jun 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Boris Krivoshey]

[Text] Moscow June 16 TASS—Russia would like to encourage closer cooperation and further integration between the country- members of the Commonwealth of Independent States. "We are ready for as much integration as our partners are", announced Russian Foreign Minister Andrey Kozyrev on Thursday.

Speaking at a foreign policy council meeting devoted to the further integration of the CIS countries and to Russian interests, Kozyrev noted the appearance of a lot of far-reaching ideas which "show the urge for closer integration". "At the same time, we would like to avoid a situation in which the proposal and discussion of such promising ideas hinders us in resolving concrete pressing problems, or distracts our attention from them". Kozyrev said.

Admiral Denies Supply of 'Low-Quality' Arms to Lithuania

LD1506212394 Vilnius Radio Vilnius in English 2100 GMT 15 Jun 94

[Text] The chief commander of the Russian Baltic military fleet has said that the Lithuanian Defense Ministry was supplied with Russian armaments in accordance with an inter-governmental agreement, denying a number of allegations surrounding the transaction.

Admiral Vladimir Yegorov in his Wednesday interview to the Baltic News Service refuted accusations that Russia has supplied low- quality arms to Lithuania. A scandal broke out in Lithuania in March after searches were carried out in the flats of a number of former Defence Ministry officials and one man was arrested on charges of illegal actions when buying the armaments.

The Russian military official expressed his regret that these developments hampered Lithuanian-Russian relations. Admiral Yegorov also said, commenting on Russia's transit over Lithuania territory, that transit was vital to the Russian troops stationed in the Kaliningrad enclave.

Political Issues

Yeltsin's Government Style Earns Praise

PM1506125394 Moscow IZVESTIYA in Russian 15 Jun 94 p 4

[Article by Sergey Chugayev: "The President Confirmed His Choice in Favor of Reforms and Democracy"]

[Text] On the eve of his third anniversary in the post of president of Russia B. Yeltsin made a number of statements at a news conference which give grounds for regarding this generally ordinary measure as the most important internal political event not just of last week. For the first time since the 12 December elections and referendum the country's public was able to gain a clear idea of the president's economic and internal political principles and plans.

Yeltsin's new political strategy was essentially made public at the news conference. Its essence seems to be that the president of Russia is largely restoring the status which he had at the end of 1991, once again becoming an informal prime minister, placing leadership of the executive under his direct control, reforming the economy, and governing the country with the help of edicts. At the same time the president's staff is becoming, as it were, a second branch of the executive, entrusted with formulating economic strategy. The tackling of current problems has been left to the government.

Yeltsin's statements also make it possible to conclude that there have been serious political changes in his position. The period of vacillation—echoes of which, in particular, were reaching the public in the form of diverse rumors of cardinal reshuffles in the system of the executive—seems to have ended for the president. Russia's economic situation has made him finally choose one of two options: Either movement toward building an open country with a civilized market economy, or reversion to a closed militarized state. The president, as far as can be judged from his statements, has definitely chosen the first option and thereby restored his image as a reforming democrat.

Thus, today it is possible to draw three definite conclusions: Yeltsin has chosen the optimum political and economic course, he has clearly demonstrated that he remains a reforming president, and, for the first time since the new Constitution was adopted, he has broken through the interests of the nomenklatura and shown himself to be a leader capable of making strategic decisions. Right now there are grounds for hope that Russia will succeed in extricating itself from the crisis with the minimal upheaval.

Undoubtedly, the economic situation will not yet improve quickly. Possible attempts to destabilize the economic and internal political situation cannot be ruled out. After his news conference the president has gotten two powerful—both politically and economically—new opponents: a section of the commercial banks and a section of the Army. He has confronted the former with the prospect of being squeezed in the vise of increased state control and increased competition from foreign colleagues, and the latter with the threat of radical reduction. Thus, a temporary tactical alliance between these forces and the opposition appears perfectly real. Nevertheless, there are grounds for believing that it is perfectly realistic to preserve political stability in Russia.

This is primarily borne out by the president's statement that he has no intention of changing the government or the premier. By taking on the formulation of economic strategy, Yeltsin has encroached upon V. Chernomyrdin's competence, since the worsening state of the economy was weakening the president's political positions. But at the same time he extended a hand to him at a difficult time by stating officially that there can be no question of any "surrender" of Chernomyrdin. Of course, something similar was also heard in the past in respect of Ye. Gaydar and Yu. Petrov. But in this case there are weighty reasons to believe that words will not be at variance with actions, at least in the immediate future. This assumption is also confirmed by the blow which the president dealt during the news conference to A. Chubays and V. Kvasov—Chernomyrdin's opponents in the government.

A rather unique situation has been created. While having weakened Chernomyrdin as premier and as an administrator, at the same time Yeltsin has strengthened him as a political figure. And not just by refuting the rumors of a change of government.

After his news conference it will probably no longer be possible for Yeltsin to reach agreement with the opposition. But Chernomyrdin will be perfectly able to work with it. It could essentially be a question of creating a political alliance between the president and the premier in which the former holds the political right flank and the center, while the latter holds the center and the slightly left flank. It seems far from coincidental that it was precisely the center and the opposition in the Duma that supported the draft budget submitted by the government, as well as the fact that, to judge from statements by opposition leaders, they are not nurturing plans to remove the premier but advocate only a presidential election. Although the chief credit for the fact that the Duma adopted this, the most optimum version of the budget, should undoubtedly go to M. Zadornov, chairman of the Budget Committee, whose speech at the session placed him, without exaggeration, you might say, at the peak of the Russian political and economic elite, on a par with Gaydar and G. Yavlinskiy.

Yeltsin, to judge from his statements, has found his second most important point of support in the leaders of the Russian regions. The most graphic evidence of this is provided by his unequivocal support for Yu. Luzhkov in his conflict with Chubays. There is no doubt that the other regional leaders will also demand for themselves rights analogous with those accorded the mayor of Moscow. At any rate, a similar statement has already

been heard from the leaders of "Siberian Agreement." If you consider the fact that an accord has already been reached between Yeltsin and the Russian governors on the transfer of the regional apparatus to their control, then it is possible to believe that these aspirations too will not go unsatisfied. Yeltsin has also managed to substantially improve relations with the republic leaders, as evidenced most vividly by his recent visit to Tatarstan.

Finally, the third support necessary for full stability seems to have been found in the leadership of the central bureaucratic apparatus. The president's phrase about the corruptness of precisely the middle echelon of managers may be regarded as a guarantee that top officials will not suffer such persecution. This, in turn, destroys the monolith of the bureaucratic apparatus, weakens its influence, and creates preconditions for establishing control over it.

According to information available in the editorial office, during the president's meeting with Gaydar at the beginning of last week Yeltsin complained, in particular, that the apparatuses of the government and of the president's staff have grown incredibly and become unmanageable. Previously the mass media repeatedly voiced opinions that the head of state was increasingly becoming a hostage of the bureaucratic apparatus. But now, as we see, the president is trying to break through this ring.

The distribution of forces on the Russian political scene following Yeltsin's news conference appears as follows: In addition to the national-communist opposition, a section of the Army and the military-industrial complex is becoming concentrated in the camp of the president's opponents, with a section of the commercial banks and also a section of the central bureaucratic apparatus as temporary, tactical partners. Mainly the middle link. Among the forces which support the president there are, above all, the government, the majority of the regional leaders, the oil and gas complex, and the West. The president can also count on the support of Russian democratic forces. Evidently, it was for precisely this reason that he did not even send greetings to the founding congress of the "Russia's Democratic Choice" party. Not wishing to tie himself to a single party, Yeltsin proposes, to all appearances, to rely on the whole spectrum of democratic forces, whose congress, as is known, is planned for the fall. Incidentally, such a strategy seems the optimum and probably also the only possible one for Yeltsin if he has already made the decision to run in the next presidential election. If this is so, it means that we are talking of a strategy virtually chosen by the president for the next two years.

Such a political balance and also the energy and the capacity for work which the president has been displaying for quite some time provide grounds for forecasting that, despite the economic crisis, the political situation in Russia will remain stable for the time being. No serious upheavals are expected, apart from some cadre reshuffles in the government.

Yeltsin Critique of Kvasov Not Aimed at Chernomyrdin

MK1506094094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 24, 12-19 Jun 94 (Signed to press 14 Jun 94) p A2

[Unattributed commentary under the "Quotation" rubric]

[Text] "...The staff should be seriously purged, led by Kvasov, they have gone and enrolled so many that it will take a long time yet to sort it out...."

The mention of Vladimir Kvasov, the government chief of staff, in direct connection with the problem of corruption is one of the sensational statements Yeltsin made during his recent press conference. There have been many rumors, being increasingly confirmed, about the influence Kvasov has gained in the power structures. Correspondingly, his now inevitable fall could reshape the pattern of connections between members of the staff and affect the moods of those holding a number of high positions. True, it is not clear if all this may lead to official or closed proceedings, as it is not clear from the statement what Kvasov is guilty of: making incompetent decisions that gave a free hand to corrupt officials, or deliberately conniving with them.

It is also tempting to explain the president's statement in terms of the desire to keep Premier Viktor Chernomyrdin "under control." However, the presidential initiative was clearly agreed with the premier: A conflict between Chernomyrdin and Kvasov who was trying to play his own cards and to gradually take the staff from under the premier's influence had long been brewing. Besides, Yeltsin vigorously denied rumors of Chernomyrdin's probable resignation, stating: "I'm not going to surrender Chernomyrdin." Still questions remain. First, the president used the same phrase about Gaydar wellnigh on the eve of the latter's quitting as premier. Second, it is not clear who Chernomyrdin should have been "surrendered" to. Unlike Gaydar, whose head was demanded on all sides, Viktor Stepanovich's position is firm, so the natural question is who is out to "get" him?

Reaction to Yeltsin's Anti-Crime Edict

Edict Seen as Propaganda Victory

MK1606075094 Moscow NEZAVISIMAYA GAZETA in Russian 16 Jun 94 pp 1, 2

[Report by Ivan Rodin from the "Collision" column: "The President Has Upstaged the Opposition in the Propaganda Contest. Although To Do This, He Had To Break the Current Constitution"]

[Excerpts] The State Duma is planning to react tomorrow to the 14 June Presidential Edict 1226 "On Urgent Measures To Protect the Population Against Gangsterism and Other Manifestations of Organized Crime." Putting to the vote a motion to include the

question of the edict on the agenda, Duma speaker Ivan Rybkin said that "this edict should be backed up by a law on amendments and additions to the Criminal Law Code." According to Rybkin, the Duma may either soften or, on the contrary, tighten the edict propositions. Interestingly, it was the Russia's Choice faction that initiated a public—albeit very weak—reaction from the State Duma. The president's traditional opponents kept silent although reaction in the lobby was rather sharp. For instance, Legislation Committee Chairman Vladimir Isakov said that the edict goes way beyond the bounds of the current Fundamental Law. [passage omitted]

However, the most noteworthy part of the edict is the one that allows leaders of executive power bodies in Russian Federation components "to define lists of cities and particular localities which need to be placed under special control following proliferating instances on these territories of gangsterism and other manifestations of organized crime." It can be supposed that in the very near future, in particular in Moscow, this special control may well be imposed. It is known that an early issuance of the anticrime edict was prompted by, among other things, a well organized stream of appeals from representatives of the Moscow business community. Will the edict help fight the crime that most bothers the average man—street crime? Apparently not: Financial checks will not stop muggings in doorways and dark lanes. In the final analysis, the reasons for the edict's promulgation are political. Although some economic rationale can also be seen: The actual annulment of banking and commercial secrets is a good method of competition.

Yet political considerations prevail. The fact is that in the last couple of months presidential analysts have considered several scenarios for extending the term of the incumbent president or, to be more accurate, the political elite that is associated with him. The option of making amendments to the Constitution consolidating presidential power was rejected pretty soon due to its absolute nonviability. The attempt to introduce a state of emergency in the economy and through it cancel presidential, if not all, elections was postponed owing to resistance from the head of government. Presumably, the scenario of cracking down on crime was deemed most beneficial from this point of view owing to its high propaganda value, which automatically strengthens the president's authority: It should not be forgotten that crime will be dealt with by departments fully subordinated to Yeltsin.

Boris Yeltsin's retaining his post so far is advantageous to all rival groups around and under him because they are fighting exclusively for influence on the president. Therefore, one can expect a favorable reaction from regional authorities. The Federal Assembly, notably its lower chamber, will need to frame the edict, as soon as possible, with corresponding laws: Revoking it is impossible for political reasons since that would damage the deputies' image. The most that can be done with the edict is to tone down some of its more odious provisions—on 30-day detention, and so forth. It is interesting that the opposition's negative reaction—and it is precisely such—must be due to the fact that the president has outdone it in the propaganda contest.

Edict Curbs Mafia, Not Civil Rights

LD1506151394 Moscow ITAR-TASS in English 1305 GMT 15 Jun 94

[By CRIME-PRESS correspondents Olga Semyonova, Larisa Kislinskaya, and Yuriy Shcherban]

[Text] Moscow June 15 TASS—The presidential anticrime decree of June 14 is important and very timely. It does not infringe upon civil rights and curbs only the rights of criminal groupings, a high-ranking Russian counterintelligence official said.

In an interview with the CRIME-PRESS news agency on Wednesday, Yevgeniy Sevostyanov, head of the counterintelligence service in Moscow and the Moscow region, said that the decree aims at protecting the population of Russia from organised crime. "The adopted measures limit only the rights of the members of criminal gangs and their direct accomplices."

Vasiliy Kuptsov, Moscow criminal police chief, said that the measures could have been even tougher. "If the old law does not provide adequate measurers against criminals, a new law is needed," he said.

"We should have resorted to such measures earlier, then there would be no such orgy of crime and innocent victims of criminal score settling," Kuptsov said.

"I believe such measures must be used also against other people who are suspected of participation in criminal gangs or serious crimes," he added.

This opinion was shared by Constitutional Court Judge Gadis Gadzhiyev. He told CRIME-PRESS that as a means of fighting crime the decree should have appeared three years ago. He believes the State Duma, the lower house of parliament, and the Federation Council, the upper house, must approve the decree as soon as possible in order to avoid the unnecessary criticism of the decree.

Russia's Choice: Edict Unconstitutional

LD1506153994 Moscow ITAR-TASS in English 1414 GMT 15 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow June 15 TASS—The Russia's Choice parliamentary faction has qualified the Russian president's decree "On Urgent Measures for the Defence of the Population From Bandits and Other Forms of Organized Crime" as the violation of the Constitution, the criminal code and citizens' rights.

At a news conference held in the Russian State Duma representatives of the "Russia's Choice" called on the president to suspend the decree. Lawmaker Viktor Pokhmelkin pointed out that he proceeds from the necessity to carry out a resolute, efficient and step-by-step fight against bandits, but this should be done in strict compliance with the constitution and should by no means infringe on constitutional guarantees of the rights and freedoms of an individual, including in the sphere of criminal court investigation, which have been guaranteed today.

In the opinion of the "Russia's Choice" faction, the president's decree, and paragraph 1 in particular, contains clauses which obviously run contrary both to the Constitution and the Russian criminal code.

In particular, the decree allows to conduct an examination before criminal proceedings are instituted with the results of the examination considered as evidence. This runs contrary to Article 109 of the Criminal Code which says that no investigating activities can be conducted before criminal proceedings are instituted, except for the examination of the place where a crime was committed.

It is presumed that no sanctions shall be used against the suspects, such as a written promise not to leave the place, the release on bail or on security. According to Article 89 of the Criminal Code, the settlement of all these problems is in the competence of an investigator, a prosecutor or court only. The decree stipulates that it is possible to detain a suspect on the above-mentioned charges for the period of up to 30 days, while Article 22 of the Criminal Code says that a suspect can be detained for no more than 72 hours.

All this shows that the president has exceeded his constitutional powers and practically made addenda and amendments to the Criminal Code in effect today, while addenda and amendments to the Criminal Code can be made only by law, which shall be adopted by the Federal Assembly of the Russian Federation, the lawmaker said. At the same time, the "Russia's Choice" faction believes that provisions of the Constitution on the right of the defendant to defence, the presumption of innocence and compliance with the law when conducting a criminal investigation have been violated as well, the lawmaker said.

Luzhkov Says Edict 'Very Strong'

LD1506162094 Moscow INTERFAX in English 1348 GMT 15 Jun 94

[Text] Moscow's Mayor Yuriy Luzhkov described the presidential anti-crime decree Boris Yeltsin signed on Tuesday as "very strong". Luzhkov said he was certain that if implemented, it would push down crime rates in Moscow and elsewhere in Russia. Mayor Luzhkov was speaking at a banquet with US businessmen in the Slavyanskaya hotel.

He said that "touring criminals" were responsible for 40 percent of crimes in Moscow and that the controversial registration of foreigners in the capital and improved supply of police with advanced hardware had had a certain effect already, although there was still much room for improvement. Luzhkov said that additional measures were necessary and he promised they would be taken in the near future.

Asked about the dispute between the Mayor's office and the State Property Committee over privatization in Moscow, Luzhkov said that he saw President Yeltsin's instruction to Anatoly Chubais "not to touch" Moscow as a victory of common sense, and not of the mayor. Luzhkov said that from now on property in Moscow would not be privatized indiscriminately, and not at next to nothing, but for real prices and on a contest basis to ensure that Moscow's real estate end up in the hands of real owners, and not black-market brokers.

Mayor Luzhkov invited US businessmen to be more bold in investing into joint projects, saying that in one year Moscow was capable of accepting up to two billion dollars of investments into all businesses. On guarantees for investors Luzhkov said that the government of Moscow had set up a reserve fund to compensate for losses that may be sustained by joint ventures in case of force majeure.

MVD, FCIS Reportedly Buying Foreign Arms

LD1506164694 Moscow NTV in Russian 1500 GMT 15 Jun 94

[Text] A POSFACTUM correspondent has been told by competent sources that the Russian Internal Affairs Ministry [MVD] and the counterintelligence service are buying foreign weapons and ammunition at the instruction of Prime Minister Viktor Chernomyrdin. On the list are pistols, automatic weapons, and revolvers manufactured by famous Western firms. Tens of thousands of units of ammunition have been bought for each type of weapon. It seems that the authorities are set to undertake an uncompromising fight against bandits. But what form it is to take now can only be guessed at.

Foreign Intelligence Deputy Interviewed

PM1506172594 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 3

[Interview with Colonel General Vyacheslav Trubnikov, first deputy director of the Foreign Intelligence Service, by KRIM-TASS correspondent Olga Semenova specially for ROSSIYSKAYA GAZETA; place, date not given: "Our Agents Are Serving and Will Continue To Do So!"]

[Text] [Semenova] The date 12 June was a holiday—Russia's Independence Day. At the same time it marks the adoption of the declaration of Russia's state sovereignty. Needless to say, one of the components of any state's sovereignty is national security in which the Russian intelligence service is involved alongside other

special services and the Army. Can I ask you to flesh out the contribution made by the Foreign Intelligence Service [FIS] to ensuring that the new Russia really is a sovereign state?

[Trubnikov] Sovereignty is primarily security, protection of national interests, and an independent and active foreign policy. The intelligence service's role in all this is extremely important, despite not always being evident—such is the nature of intelligence activity. The present transition period in international relations has been marked by rapid changes in all spheres of life. This affects Russia in particular. On the whole, the trend of world development is favorable to our country, but the range of threats remains extremely wide. Monitoring and assessing these threats is a central and key task of intelligence. At the present time Russia's interests, and primarily its security, are threatened by the appearance of "trouble spots" close to its borders. For the first time since World War II attempts are being made to revise borders on the European continent. The significance of economic and environmental security has increased.

Needless to say, some of these problems have predominantly domestic roots. However, we can also see external factors which exacerbate these problems. The task of intelligence is to uncover these factors. On a day-to-day basis Russian intelligence agents supply information for subsequent decisionmaking by the highest organs of power. Primarily regarding issues of foreign and defense policy. In addition, the intelligence service's remit includes the country's economic security, scientific and technical progress, and the environment. At home and abroad analytical reports by the FIS have been an authoritative voice on major problems affecting international security: On the proliferation of weapons of mass destruction and NATO plans. We intend to continue the practice of preparing these documents.

Finally, the intelligence service not only obtains information; it also exchanges data with other special services on problems of mutual interest. These include information on the fight against terrorism, organized crime, and maintenance of the nonproliferation regime applying to nuclear and other types of weapons of mass destruction.

The need for the Russian FIS and its contribution to the cause of protecting Russia's national security was underlined by Russian Federation President Boris Yeltsin when he visited FIS headquarters recently. His speech to intelligence operatives laid down future guidelines for all of us.

[Semenova] Incidentally, since you touched on the issue of weapons of mass destruction. Russian and foreign mass media have recently carried sensational reports regarding the problem of the development of nuclear weapons in our country. In this sphere, it seems, all the "laurels" belong to the intelligence service, and our scientists merely give enthusiastic assessments of the information obtained by intelligence.

[Trubnikov] This is nothing more than deliberate or not so deliberate repetition of old cock-and-bull stories about the Russians "stealing" the atomic bomb from the Americans. It was untrue 50 years ago and it remains untrue today.

In fact, the development of nuclear weapons in our country has been the result primarily of our own scientific efforts and our own scientific leading lights such as Kurchatov, Khariton, Zeldovich, and many others. The atom bomb is not some simple mechanism which it is possible to look over and then copy back at home. If our own scientists had not been able to fully grasp the secrets of the atomic nucleus, they would simply have been unable to understand and assess the information on nuclear problems which our intelligence service managed to obtain.

Today this is history, and there are frequently exaggerations in the way history is told: Sometimes silence is assiduously cultivated, whereas at other times, on the contrary, too much emphasis is placed. The intelligence service does not want "other people's laurels," as you put it. It is entirely satisfied with its own. And the service which intelligence provided in this case was to latch onto an important trend in the development of science and technology, a trend which had colossal military potential, and to obtain information which enabled us to speed up—let me repeat, speed up—work on developing nuclear weapons in our country.

[Semenova] Thank you, I think your explanation dots all the i's and crosses all the t's, at the same time precisely indicating the intelligence service's role in developing science. This is especially topical at the moment.

But in the former USSR Russia did not have its own security organs, including an intelligence service. Following the Soviet Union's disintegration how was the FIS formed—on the "wreckage" of the USSR KGB First Main Directorate or, so to speak, from scratch?

[Trubnikov] The FIS was not formed on "wreckage" or from scratch. Russia received a strong existing intelligence service: the First Main Directorate's material and technical and organizational base and its cadres.

Furthermore, by that time Russia had already started to form its own security organs system. In March 1991 the Federal Security Agency was set up, which included counterintelligence and intelligence subdivisions. Many KGB and First Main Directorate staffers were sent to work in the Russian state security organs, and many of them now occupy leading posts in the FIS. At the end of 1991 the First Main Directorate and Russian intelligence subdivisions merged.

[Semenova] How does the FIS differ from the First Main Directorate in terms of its structure and from other intelligence services in terms of its tasks?... Or are the general organizational principles the same for all the world's intelligence services, like the laws of society's development?

[Trubnikov] The main difference is that the intelligence service has stopped being the quasi-state and quasi-party organ it was within the KGB framework. Hence all the changes: departyization, deideologization, organizational and functional autonomy, strict observance of the law, control from the legislative and executive branches, and such like.

Of course, the ending of the Cold War and the emergence of new geopolitical realities set us new tasks. Certain new subdivisions were formed to tackle them: economic intelligence, monitoring the nonproliferation of mass destruction weapons, collaboration with foreign special services. On the whole our intelligence service has a structure which is typical of all modern special services. It is determined by the very nature of intelligence and by the nature of its activity, and includes the extractive apparatus, analytical subdivisions, and auxiliary services.

[Semenova] What position does Russian intelligence occupy in the world "league table" of special services?

[Trubnikov] When we start talking about which intelligence services are in the premier world league and what positions they occupy in it, then the leaders most frequently mentioned are the U.S. CIA, the Israeli Mossad, the British secret service, and Russian intelligence. We have always been in this league and I would like to believe that we will always remain in it.

As regards the specific position, much depends on the parameters used to define it: the scale of activity, the size of the budget, the number of personnel, the professional standard of intelligence officers, their commitment to their duty, and how they turn their qualities into specific results.

Our people daily prove their loyalty to Russia in their deeds. I believe that, if the cadre personnel of our "opponents" were put into the same conditions in which Russian intelligence now finds itself, few would survive. But ours serve and will continue to serve!

[Semenova] Initially "civilian" leaders, mainly politicians, have also been appointed in other special services. But later they all received military ranks and already feel like real "military men." The FIS director is a politician and academician but has not become a general. Why?

[Trubnikov] The FIS director's authority is determined not by the number and size of stars on his shoulder boards or the lack of same. The main thing here is knowledge, analytical and organizational abilities, a commitment to the cause, and attention to people's needs. Yevgeniy Maksimovich Primakov has all this, and without a military rank.

[Semenova] Are there other academicians in the FIS?

[Trubnikov] So far none of the FIS cadre staffers has received this academic rank.

[Semenova] What currently attracts people to an intelligence officer's profession?

[Trubnikov] Not ultrahigh wages at any rate. Our staffers' salaries are not the lowest but, like those of all budget-funded employees and servicemen, are considerably lower than in the private sector. But roughly the same situation exists in other countries.

Young people are now coming into intelligence above all because this work gives them the opportunity to serve their country and to bring it benefit at our difficult time. An intelligence officer's profession allows a person to show himself as an individual, to realize his working, volitional, and moral qualities—sometimes in extreme situations—and to become a top-class expert. Our specialists in the fields of politics, economics, military matters, and science and technology are constantly abreast of the latest world events and achievements in the spheres of their activity.

People now want to come into intelligence not because it is "advantageous" but because it is important and interesting.

[Semenova] Spy—is that offensive? Has the attitude toward intelligence changed, do people not continue to confuse it with a political police?

[Trubnikov] We are dealing with cadre intelligence officers or agents. It is our Federal Counterintelligence Service which mainly deals with spies, because a spy is considered to be someone who works against our country, whereas we work for Russia.

We do not engage in political investigation. In my opinion this is clear to an unbiased compatriot.

[Semenova] If you started all over again would you become an intelligence officer?

[Trubnikov] Of course!

Gaydar on Aims of Russia's Democratic Choice

LD1606113794 Moscow Mayak Radio Network in Russian 2300 GMT 15 Jun 94

[Text] Certain politicians link the creation of the new political party, Russia's Democratic Choice, with the forthcoming campaign for the presidential elections. But, according to its leader, Yegor Gaydar, the purpose of the new party's program is to make sensible changes to life in Russia.

[Begin Gaydar recording] I founded this party to promote a worthy future for Russia, to prevent dangerous, totalitarian experiments, to prevent our country being drawn once more into a debilitating arms race or military adventures. Russia's Democratic Choice regards itself as the successor to the democratic movement—one which strives to get rid of the many weaknesses in this movement, its lack of cohesion and organization, the

endless internal arguments, instead of serious propaganda work and constant, convincing explanation of the truth about what is taking place in Russia to our electorate.

This is a party which strives to draw support from the calmest, worthiest and most sensible section of the Russian public, from those who are prepared to listen to sensible arguments, from those who are endowed with commonsense, from those who realize that our country will not get any stronger or become rich as a result of large-scale military expenditure, that serious military reform is acutely needed in our country, that armed forces' manpower needs to be cut, that conscription needs to be reduced—while ensuring that the army has better equipment and supplies, that its weapons are modernized, that it is turned into a really combat-ready, mobile force.

It is the party of those who are convinced that pointless, large-scale subvention of inefficient enterprises will only perpetuate their backwardness, that such subsidies are only needed by those who would like to hold on to their directors' chairs. It is the party of those who believe that we need serious agrarian reform, without which our rural economy will never be efficient, that such reform is possible and essential.

It is the party of those who do not want imperialist adventures, who do not see Russia's greatness in the establishment of empire but in its citizens' well-being, of those who believe that our strength resides not so much in force of arms but in the great potential of our people, of those who agree with our policy priorities—freedom, property and the law.

We very much hope that we will be able to have, as allies, the intelligentsia, entrepreneurs, skilled workers and that section of the peasantry which really wishes to work independently on the land—all those who are capable of using their own hands to make their life richer, securer and calmer, who want to do this. [end recording]

Gaydar Seen Garnering Support From Defense Sector

PM1606103594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 15 Jun 94 p 1

[Article by Vs.O. under the "Meanwhile" rubric: "Such Prospects Are Costly"]

[Text] "Russia's Choice," the most capital-intensive political association in the last elections, is continuing to organize itself. As was only to be expected, businessmen are flocking to the banners of radical economist Yegor Gaydar. They are not taking up rank-and-file posts under these banners either. For example, the Executive Committee of "Russia's Democratic Choice" was recently headed by Oleg Boyko, leader of the renowned "OLBI" Concern and of the less renowned "Natsionalnyy Kredit" Bank.

"OLBI" is known as a major trading house and as an open-type joint-stock company. Naturally, even the largest trading house is hardly capable of funding a national political movement. In other words, a direct financial interest in Boyko on Gaydar's part is unlikely. On the other hand, in the last elections "OLBI" actively supported "Russia's Choice," so that Mr. Boyko's new post may be regarded as political compensation of a kind. But there is also a third aspect, the most interesting one.

The point is that Mr. Boyko, "OLBI," and the "Natsionalnyy Kredit" Bank have strong ties (including partnership ties) with the "Vzlet" Science and Production Association, one of the flagships of the Russian defense industry. The interest of the military-industrial complex in Gaydar—the leader of the largest Duma faction, which voted for broader budget spending on defense, and someone with access to the president—is obvious. In addition, Gaydar must also be of interest to the defense industry as a radical market economist. They can complain as much as they like about the collapse of the defense complex as a consequence of the reforms. But only Gaydar's reforms can enable the leaders of large defense enterprises to participate seriously in privatization.

Zhirinovskiy To File New Suit Against Gaydar

LD1506212494 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] The leader of the Liberal Democratic Party of Russia (LDPR), Vladimir Zhirinovskiy, will file another suit to protect his honor and dignity against the leader of Russia's Democratic Choice, Yegor Gaydar, and the board of editors of the daily newspaper Izvestiya.

This statement was made by Zhirinovskiy's lawyer, Sergey Belyak, in an interview with Interfax Wednesday. Gaydar's article "A Bet on Scoundrels" published by Izvestiya on May 17 served as the reason for the suit. Belyak referred to Gaydar's phrase from the article: "Zhirinovskiy is the most popular fascist leader in Russia" and descriptions like "fascist populist."

On June 7, Zhirinovskiy signed a statement to withdraw his first suit against Gaydar made on December 7. According to Belyak, Zhirinovskiy made this step after the signing of the Social Accord Pact, wishing to show his readiness for compromises not only in words, but also in practice. At the same time, Gaydar's new insulting statements have forced Zhirinovskiy to file another suit against him, Belyak said.

"I have deep doubts that Gaydar understands anything in the history of fascism and Zhirinovskiy's works if he has ever read them," Belyak said. He explained Gaydar's actions by "the desire of an unpopular politician to curse a popular leader."

Zhirinovskiy evaluated the moral damage inflicted on him by Gaydar at 500,000 rubles.

Request for Assault Proceedings Against Zhirinovskiy Denied

MK1506123594 Moscow KURANTY in Russian 15 Jun 94 p 1

[Yan Ulanskiy report under the "Scandal" rubric: "There Is No Keeping V.V. Zh. in Check"]

[Text] Moscow's law and order organs gave the LDPR [Liberal Democratic Party of Russia] a remarkable gift for Russian Independence Day.

The Investigations Directorate of the Moscow Main Internal Affairs Administration has turned down a request to start criminal proceedings against Zhirinovskiy from State Duma deputies and a STOLITSA magazine journalist who were injured by V.V. Zh. [Vladimir Volfovich Zhirinovskiy] on 8 April (owing to the absence of corpus delicti). Thus, the LDPR leader gets carte blanche to use the physiognomies of his political opponents to relieve the itch in his fists. According to KURANTY, however, the State Duma deputies do not intend to give up attempts to get Zhirinovskiy punished, even if not by court, for the fight in the Duma in April.

Prosecutor Asks Duma To Repeal Zhirinovskiy Immunity

LD1506134894 Moscow ITAR-TASS in English 1117 GMT 15 Jun 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow June 15 TASS—The acting prosecutor general Alexey Ilyushenko has lodged an appeal with the State Duma, asking to deprive the LDP [Liberal Democratic Party] leader Vladimir Zhirinovskiy of his parliamentary immunity.

The request was made in connection with the fact that the Russian prosecutor's general office believes that Zhirinovskiy's book entitled "The Last Breakthrough to the South" gives grounds for instituting criminal proceedings against Zhirinovskiy. This was announced by the chairman of the State Duma, Ivan Rybkin, at its session today.

The Duma Council is expected to look into the appeal on Thursday.

Zhirinovskiy Calls for Prosecutor's Dismissal

LD1506191994 Moscow NTV in Russian 1800 GMT 15 Jun 94

[Excerpt] [Correspondent Ernest Matskyavichus] [Liberal Democratic Party of Russia leader, LDPR] Vladimir Zhirinovskiy today said that the construction of Yeltsin's edict on fighting organized crime was good on paper, but in reality lifeless. The presidential program for fighting crime will be effective only in conjunction with measures proposed by the Liberal Democratic Party.

Apart from that, the LDPR leader expressed his opinion on the motives of Acting Procurator General Aleksey Ilyushenko, who has lodged an appeal with the Duma on stripping Zhirinovskiy of his parliamentary immunity and instituting criminal proceedings against him.

[Begin Zhirinovskiy recording] I view this as a political provocation. He is undermining the agreement on accord. He did not agree this issue with the country's president. I am the leader of the party that won the elections and head a deputies' faction in the State Duma. This is a special situation. Therefore this is his mistake and I think that after this he will lose his post as acting Russian procurator general. This will be our contribution—quickly filling this post with a worthy lawyer from our country. [end recording]

[Matskyavichus] Tomorrow the Duma council is to examine the appeal from Acting Procurator General Ilyushenko.

Text of Law on Publication of Laws

PM1606101594 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 94 First Edition p 1

[Russian Federation Federal Law No. 5-FZ "On the Procedure for Publishing and Entry Into Force of Federal Constitutional Laws, Federal Laws, and Acts of the Federal Assembly Chambers", adopted by the State Duma 25 May 1994 and approved by the Federation Council 1 June 1994; dated Moscow, The Kremlin, 14 June 1994 and signed by Russian Federation President B. Yeltsin]

[Text] Article 1. Only those federal constitutional laws, federal laws, and acts of the Federal Assembly chambers which have been officially published are applied on the territory of the Russian Federation.

Article 2. The adoption date of a federal law is considered to be the day the State Duma adopted it in its final version.

The adoption date of a federal constitutional law is considered to be the day the Federal Assembly chambers approved it in the manner established by the Russian Federation Constitution.

Article 3. Federal constitutional laws and federal laws are subject to official publication within a period of seven days from the day of their signing by the Russian Federation president.

Acts of the Federal Assembly chambers are published no later than 10 days after the day of their adoption.

International treaties which have been ratified by the Federal Assembly are published at the same time as the federal laws on their ratification.

Article 4. The official publication of federal constitutional laws, federal laws, and acts of a Federal Assembly chamber is considered to be the first publication of their

full texts in ROSSIYSKAYA GAZETA or SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII.

The Russian Federation president sends federal constitutional laws and federal laws for official publication. The chairman of the relevant chamber or his deputy send acts of the Federal Assembly chambers for official publication.

Article 5. Federal constitutional laws, federal laws, and acts of the Federal Assembly chambers may be published in other printed publications as well as brought the attention of everybody (made public) on television and radio, circulated to state bodies, officials, enterprises, establishments, and organizations, transmitted via communications channels, and disseminated in machine-readable form.

Laws, acts of the Federal Assembly chambers, and other documents may also be published as separate publications.

Article 6. Federal constitutional laws, federal laws, and acts of the Federal Assembly chambers enter into force simultaneously throughout the Russian Federation's territory 10 days after their official publication, if the laws or acts of the chambers themselves have not established another procedure for their entry into force.

Article 7. SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII is the official periodical in which federal constitutional laws, federal laws, acts of the Federal Assembly chambers, edicts and directives of the Russian Federation president, decrees and directives of the Russian Federation Government, decisions of the Russian Federation Constitutional Court concerning the interpretation of the Russian Federation Constitution and on whether laws and normative acts of the Russian Federation president, Federation Council, State Duma, Russian Federation Government or individual provisions of these acts, conform to the Russian Federation Constitution.

Article 8. SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII comprises five sections:

Federal constitutional laws and federal laws are published in the first section;

Acts of the Federal Assembly chambers are published in the second section;

Edicts and directives of the Russian Federation president are published in the third section;

Decrees and directives of the Russian Federation Government are published in the fourth section;

Decisions of the Russian Federation Constitutional Court concerning the interpretation of the Russian Federation Constitution and on whether laws and normative acts of the Russian Federation president, Federation Council, State Duma, Russian Federation Government or individual provisions of these acts, conform to the Russian Federation Constitution, are published in the fifth section.

The second section is subdivided into two parts: Decrees of the Federal Assembly chambers adopted on questions falling within the jurisdiction of the chambers inaccordance with Articles 102 and 103 of the Russian Federation Constitution are published in the first part; the second part contains other acts of the Federal Assembly chambers. The third and fourth sections are also subdivided into two parts: The first part contains normative acts while the send contains acts which are not normative in nature.

Article 9. Acts published in SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII are contained in articles with corresponding ordinal numbers. Appendixes to the acts are placed in the same articles as the acts themselves.

When a federal constitutional law or a federal law is published its name is indicated along with the date it was adopted (approved) by the State Duma and the Federation Council, the official who signed it, the place and date of its signing, and its registration number.

When a decree of a Federal Assembly chamber is published its name is indicated along with the official who signed it, the place and date of its adoption, and its registration number. When other other acts of a Federal Assembly chamber are published their names are indicated along with the place and date of their adoption, and their registration number.

Federal constitutional laws, federal laws, and acts of the Federal Assembly chambers to which changes or additions have been made may be published officially a second time in a full version.

Article 10. The following laws are deemed to no longer be in force:

The Russian Soviet Federated Socialist Republic [RSFSR] Law of 13 July 1990 "On the Procedure for Publishing and Entry Into Force of RSFSR Laws and Other Acts Adopted by the Congress of RSFSR People's Deputies, the RSFSR Supreme Soviet, and their Organs" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV RSFSR I VERKHOVNOGO SOVETA RSFSR [THE PROCEEDINGS OF THE CONGRESS OF RSFSR PEOPLE'S DEPUTIES AND THE RSFSR SUPREME SOVIET], No. 6, page 93, 1990);

The RSFSR Law of 27 December 1990 "On Making Changer and Additions to the RSFSR Law 'On the Procedure for Publishing and Entry Into Force of RSFSR Laws and Other Acts Adopted by the Congress of RSFSR People's Deputies, the RSFSR Supreme Soviet, and their Organs'" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV RSFSR I VERKHOVNOGO SOVETA RSFSR, No. 1, page 8, 1991).

Article 11. The Russian Federation president and the Russian Federation Government should bring their legal acts into line with this Federal Law.

Article 12. This Federal Law enters into force from the day of its official publication.

[signed] President of the Russian Federation B. Yeltsin
[dated] Moscow, The Kremlin, 14 June 1994
No. 5-FZ

Economic Issues

'Dual Power' in Economic Management Denied

LD1506203494 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] The legislating creativity of the Russian president who has recently signed two packages of economic decrees is explained by the fact that the Russian government lacks the necessary powers and was acting quite slowly over the recent months.

This statement was made by Deputy Economics Minister Sergey Vasiliyev at a news conference in Moscow Wednesday. He categorically dismissed "speculations of various kinds" about "an alleged dual power in the management of the economy, that of the government and the presidential staff."

Vasiliyev pointed out that the first package had been prepared solely by government experts, while "only one representative of the presidential team attended to the development of the other one."

As another reason for Boris Yeltsin's interference into economics, Vasiliyev indicated the fact that the State Duma "could not bake laws like cakes" as there is a procedure for their adoption.

Yeltsin's Recent Economic Edicts Outlined

PM1606082794 Moscow IZVESTIYA in Russian 15 Jun 94 p 2

[Report by Irina Savvateyeva: "Latest Set of Economic Edicts Signed"]

[Text] Boris Yeltsin has signed the latest set of economic edicts. Three of them are devoted to problems of housing construction. In addition, he has also signed the edicts "On Protecting Consumers' Interests From Dishonest Advertizing," "On Improving the Work of the Russian Federation Banking System," "On Some Measures to Encourage Investment Activity, Including by Attracting Foreign Credits," and "On Some Measures to Ensure State Management of the Economy."

Yeltsin's lawmaking activity is due to two factors, in the opinion of observers. First, the president is concerned at the slow progress of the reforms. Second, he has been forced to take some steps to compensate for the Duma's inactivity.

Whereas the first set of edicts, signed at the end of May, was prepared exclusively by government experts, the latter documents are the work of government economists collaborating with their colleagues from the president's team. All the documents have been presented for signature on the government's behalf.

In the opinion of Deputy Economy Minister Sergey Vasilyev, one of the authors of the edicts, the package of housing edicts occupies a special place. These are norm-setting documents, which prescribe incentives for the process of housing construction. They deal with the rules for the sale of unfinished apartment blocks and the provision of incentives for the creation of savings for housing. And in particular on the enshrinement of housing certificates in law.

During the preparation of the documents it was the edict on improving the banking system which sparked off the stormiest debates. This edict, in fact, stipulates the extent to which foreign banks are allowed to penetrate the Russian market. Russian commercial banks showed tremendous interest in this document. As IZVESTIYA has learned, the text of the edict was reworked after the president's press conference, where he firmly advocated that foreign banks be allowed access to the Russian market.

The edict "On Protecting Consumers' Interests From Dishonest Advertising" can begin working effectively as soon as a number of amendments have been made to the existing legislation. These amendments will regulate the work of the mass media and the advertisers. Meanwhile, this edict already makes it possible to apply fairly tough sanctions to advertisers themselves, even to the point of withholding their license.

In addition, restrictions are being placed on the ability of unlicensed organizations to attract funds from the population. At the moment only banks, insurance companies, and pension funds, on the one hand, and joint-stock companies, on the other, are allowed to do that. Their activity is regulated in the following way: There are restrictions on the ratio of outside resources and firms' own resources and there is also a prescription that a balance and the main technical-economic parameters must be published in the press. Before trying to persuade the population to subscribe money to a loan, joint-stock companies will have to declare their anticipated profit.

The edict "On Some Measures to Ensure State Management of the Economy" ought to have been adopted long ago. Essentially, the edict is designed to put an end to the absurd situation at present in which a director can dispose of an enterprise entirely as though it were his property but without bearing the slightest responsibility to the actual owner, the state, which can neither dismiss nor punish a negligent manager.

Mutual relations between the state and the director will henceforth be regulated not by labor law but by civil law. A contract will be concluded with a director for the right

to manage an enterprise, the form of which is stipulated by the edict. The contract may be cancelled if the accords are not observed.

Edict on State Economic Management

PM1606141294 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 4

[Edict No. 1200 of the Russian Federation President "On Some Measures To Ensure State Management of the Economy," dated 10 June 1994, The Kremlin, Moscow, and signed by Russian Federation President B. Yeltsin]

[Text] In order to ensure the state management of the economy and make leaders of state enterprises more liable for the financial state of the enterprises, the safekeeping and efficient use of their property, and the results of economic activity, I rule that:

1. It is to be laid down that relations between the Russian Federation Government or federal organs of executive authority empowered by it and the leaders of federal state enterprises will be regulated on the basis of contracts concluded in accordance with civil legislation.

This provision comes into effect when contracts are concluded with the leaders of federal state enterpises after this edict comes into force, both with newly appointed leaders and with leaders whose labor contracts have expired. Labor contracts with leaders of federal state enterprises will not be resumed or extended.

2. It is to be laid down that the obligatory terms of the contract with leaders of federal state enterprises are:

—duration of contract—not less than three years;

—amount of guaranteed recompense—not less than 10 times the minimum monthly pay;

—the enterprise leader's share of the enterprise's profit to be determined after the corresponding enterprise has settled with budgets at all levels;

—amount of compensation payable to an enterprise leader if a contract is canceled early on the initiative of the Russian Federation Government or a federal organ of executive authority empowered by it;

—amount of compensation for an enterprise leader and members of his family moving to another locality stipulated by the contract;

—social guarantees for the enterprise leader and members of his family, including in the event of the death of the enterprise leader or his ceasing to be fit for work;

—rights and duties of the enterprise leader in connection with the management of the enterprise, including the right to hire and fire enterprise personnel, delegate authority, and manage enterprise property;

—enterprise leader reporting procedure;

—procedure and terms of early cancelation of contract;

—enterprise leader's liability for breach of contract, economic results of enterprise activity, and safekeeping and specific use of property, including material liability for damage caused to the enterprise as a result of the enterprise leader's actions or inaction.

3. It is to be laid down that representatives of the state in management organs of joint-stock companies (associations or other mixed-ownership forms of enterprise), whose holding (stock, share) is federally owned (hereinafter, companies), will perform their activities in the management organs of the aforesaid companies in accordance with the present edict and decisions of the Russian Federation Government and also of federal organs of executive authority or the Russian Federal Property Fund, on whose behalf they are acting in accordance with Russian Federation legislation.

4. The following can be appointed to represent the state in companies' management organs:

—state employees—on the basis of decisions by the Russian Federation president, Russian Federation Government, the relevant federal organs of executive authority, or the Russian Federal Property Fund;

—other citizens of the Russian Federation (except those elected to representative organs of state authority or local self-government)—on the basis of contracts to represent the interests of the state concluded in accordance with civil legislation.

Contracts with Russian Federation citizens to represent state interests will be concluded by the Russian Federation State Committee for the Management of State Property, the Russian Federal Property Fund, or their territorial organs and must incorporate:

—the term of the contract and the procedure for its early cancelation;

—the amount of recompense to be received by the representative of the state;

—the terms of material liability for breaching the terms of the contract to represent state interests.

Contracts to represent state interests in management organs of joint-stock companies (associations and other mixed-ownership forms of enterprise, whose holding (stock, share) is federally owned, are to be registered at justice organs.

5. State representatives in companies' management organs are obliged to agree in writing with federal organs of executive authority or the Russian Federal Property Fund on whose behalf they are acting:

—draft decisions of companies' management organs, which they will be submitting and supporting;

—their future vote on draft decisions proposed by other members of companies' management organs.

6. Draft decisions and voting on draft decisions on the following questions will be agreed in accordance with the present edict (if they fall within the terms of reference of the corresponding companies' management organs):

—amendments and additions to the statutes of joint-stock companies (associations and other mixed-ownership forms of enterprise);

—changes in the amount of compoany capital;

—the appointment (election) of specific individuals to management organs and supervisory organs of the corresponding companies;

—acquisition of credits that are more than 10 percent greater than the corresponding companies' net assets;

—the sale and other transfer of real estate and also mortgaging of real estate;

—companies' involvment in the creation of other enterprises (including setting up daughter enterprises) amd industrial finance groups.

The Russian Federation Government can make it incumbent on state representatives to consult on draft decisions and on voting on draft decisions on other matters which fall within the terms of reference of the corresponding company management organs, but which are not provided for in the present edict.

If there are several state representatives in a particular management organ, delegated by different federal organs of executive authority and the Russian Federal Property Fund, the common stance of these representatives will be determined beforehand, in accordance with the procedure laid down by the Russian Federation Government.

7. Any breach by state employees appointed as state representatives in company management organs of the established procedure for agreeing draft decisions and votes on draft decisions, and also votes that do not accord with the results of consultations or decisions by the Russian Federation Government and the relevant federal organs of executive authority will result in disciplinary action, even dismissal from state service.

Similar breaches committed by state representatives in company management organs who are not state employees will result in action envisaged by the contract to represent the state's interests.

State representatives in company management organs will also be liable for their actions in accordance with the company's statutes.

8. State representatives in company management organs will submit reports on the activities of the corresponding companies to the relevant federal organs of executive authority at least twice a year in the form prescribed by the Russian Federation Government.

9. It is to be laid down that in cases where all owners of enterprises conclude contracts with their leaders in accordance with civil legislation, the social security terms for enterprise leaders will be no worse than those they would have if concluding contracts in accordance with labor legislation.

10. It is recommended that organs of executive authority of the components of the Russian Federation apply the rules of the present edict when concluding contracts with leaders of state enterprises that are state-owned by the corresponding components of the Russian Federation.

11. The Russian Federation Government has three months to approve:

—the procedure and form of accountability of leaders of federal state enterprises operating on the basis of contracts concluded in accordance with civil legislation;

—the procedure and form of accountability of state representatives in management organs of joint-stock companies (associations and other mixed-ownership forms of enterprise), whose holding (stock, share) is federally owned;

—model contracts to represent state interests in management organs of joint-stock companies (associations and other mixed-ownership forms of enterprise), whose holding (stock, share) is federally owned (depending on the specific sector and territory) and the procedure for concluding and registering contracts.

12. The present edict is to enter into effect the moment it is published.

Russian Federation President B. Yeltsin.
The Kremlin, Moscow, 10 June 1994.

Package of Housing Edicts Published

Edict on Housing Credits

PM1506094794 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 94 First Edition p 1

[Russian Federation President's edict "On Housing Credits" preceded by ROSSIYSKAYA GAZETA comment under general heading: "We Shall Construct a House and Live There"]

[Text] For the absolute majority of Russian the housing problem has always existed. In recent years the situation has deteriorated markedly. The state is no longer able to afford free housing for those on the waiting list. When it is a case of the cost of the housing going on sale, people blench.

The so-called middle class has found itself in the worst position. Those with special entitlements have hopes, albeit slender ones, of obtaining free municipal housing.

The middle classes are now being asked to buy apartments. Here the bank credit interest rates are such that they protect the banks themselves against inflation.

The edicts of Russian Federation President B. Yeltsin signed on the eve of Independence Day finally create the necessary normative base for the legal activity of commercial structures which have been engaging "illicitly" in the issue of bonds guaranteeing that their owners will acquire housing in the foreseeable future. Conditions are being created for investments in the housing sphere and the foundation has also been laid for the development of a system of targeted credits, including mortgage loans. Finally, measures are being suggested for reviving the construction of the apartment blocks and residential regions "frozen" throughout the country.

Russian Federation President's Edict no. 1180 on Housing Credits

With a view to rendering assistance to citizens in constructing (reconstructing) and acquiring housing I decree:

1. That it be established that:

Russian Federation citizens who according to the updated procedure have been deemed in need of improvement to their housing conditions shall receive free subsidies for the construction or acquisition of housing in accordance with the Russian Federation Government's 10 December 1993 decree no. 1278 "On the Approval of the Statute on Granting Russian Federation Citizens in Need of an Improvement to Their Housing Conditions Free Subsidies for the Construction or Acquisition of Housing;"

Corporate bodies and citizens of the Russian Federation shall receive loans to construct (modernize) and acquire housing and also to develop land plots for housing construction on a commercial basis.

2. That the attached statute on housing credits be approved.

That it be established that the operation of the statute on housing credits extends to credits obtained for the construction and acquisition of real estate on garden and dacha plots.

3. That the organs of executive power of the Russian Federation components activate work to provide or sell land plots for housing construction to Russian Federation citizens and corporate bodies involved in construction.

4. That the Russian Federation Government submit within three months to the Federal Assembly State Duma a draft law on altering the taxation of banks' profit obtained from granting credits for the construction (modernization) and acquisition of housing and for the development of land plots for housing construction.

5. That it be recommended to enterprises and organizations of various forms of ownership that within the procedure for rendering assistance to their workers in improving housing conditions they give banks guarantees that they will extinguish the credits received by the enterprises' workers for the construction (modernization) and acquisition of housing and for the development of land plots for housing construction and extinguish them in part or in full using their own funds.

6. This edict enters into force from the moment it is signed.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 10 June 1994.

Edict on Completing Unfinished Apartment Blocks

PM1506103394 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 94 First Edition p 3

[Russian Federation President's Edict No. 1181 "On Measures To Ensure the Completion of Construction of Unfinished Apartment Blocks"]

[Text] With a view to creating conditions for providing housing for Russian Federation citizens, reducing the volumes of expenditure on maintaining uncompleted apartment blocks, and ensuing their completion and commissioning, I decree:

1. That it be established that uncompleted apartment blocks under federal ownership, including those under the full economic management of enterprises and the operational management of organizations and institutions and whose construction was ended or suspended in connection with the absence of the necessary federal budget financing this year are subject to being transferred for the completion of construction or to being sold.

The decision to transfer for the completion of construction or to sell uncompleted apartment blocks which were ordered by federal organs of executive power and organizations and institutions financed from the federal budget is made by the Russian Federation State Committee for Questions of Architecture and Construction and the Russian Federation State Committee for the Administration of State Property in agreement with the organs of executive power of the Russian Federation components.

The decision to transfer for the completion of construction or to sell uncompleted apartment blocks ordered by federal state enterprises is made upon representation from the client enterprise by the Russian Federation State Committee for the Administration of State property and the Russian Federation State Committee for Questions of Architecture and Construction by agreement with the RUssian Federation components' organs of executive power.

2. That the federal state enterprises which ordered the construction of apartment blocks whose construction has been halted or suspended in connection with the lack of the necessary financing be allowed to transfer to subcontracting organizations for completion or to sell uncompleted apartment blocks.

3. That it be established that the transfer for the completion of construction and the sale of uncompleted apartment blocks is implemented exclusively at investment and commercial competitions with a view to ensuring the speediest completion of apartment blocks and the provision of housing for citizens.

4. That it be established that the attached statute on the procedure for transferring uncompleted apartment blocks and for selling them be approved.

5. That it be recommended to the organs of executive power of the Russian Federation components and the organs of local self-management that they make the decision to transfer for the completion of construction or to sell apartment blocks under, respectively, the state ownership of components of the Russian Federation and municipal ownership.

6. That this edict enters into force from the moment it is published.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 10 June 1994.

Edict on Housing Certificates

PM1506105794 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 94 First Edition p 4

[Russian Federation president's Edict No. 1182 "On the Issue and Circulation of Housing Certificates"]

[Text] With a view to expanding the use of funds owned by the population and from other nonbudget sources of financing in the housing sphere and protecting them from inflation I decree:

1. That it be established that the corporate bodies with the rights of clients when constructing apartment blocks, a land plot allocated within the established procedure for housing construction, and planning documents for housing construction have the right to attract funds from citizens of the Russian Federation using housing certificates.

2. That the attached statute on the issue and circulation of housing certificates be approved.

3. That the Russian Federation Government submit before 1 August 1994 to the Federal Assembly State Duma a draft law on the procedure for taxing operations involving housing certificates.

4. The Russian Federation Ministry of Finances and the Russian Federation State Committee for Questions of Architecture and Construction must elaborate and approve within two months an Instruction on the procedure for the issue and circulation of housing certificates and also for their repayment, including through the provision of housing for their owners.

5. This edict enters into force from the moment it is published.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 10 June 1994.

Production Shows 6.5% Decline in May

PM1606092394 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 1

[Report by A. Yevgenyev: "Different Poles of Reform"]

[Text] To judge by operational information from the State Committee for Statistics May has been a record month in terms of the decline in industrial production. In terms of physical volume it declined 6.5 percent compared with April and 28 percent compared with May last year. As a whole over the first five months of this year 25.9 percent less output was produced than for the same period last year.

Of course a part was played by the fact that there was less working time in May than in April ("we were taking time off and enjoying ourselves"). Nonetheless we cannot fail to draw attention to the increasing stoppages of enterprises, mainly, as the State Committee for Statistics notes, because of the impossibility of selling their output.

The volume of production declined most in the sectors of the investment complex and nonfood consumer goods. Thus, while the fuel and energy complex showed a decline of 12 percent and the food industry a decline of 22 percent, the pulp and paper industry's production declined 32-34 percent, the chemical and petrochemical industry declined 35 percent, light industry 41 percent, and machine building 45 percent.

Of 406 of the most important types of output taken into account in operational returns, the production of 20 articles increased compared with January through May last year while the production of 381 declined.

Capital construction continues to be reduced. Over the five months 25-30 percent fewer investments were channeled into the republic's economy and 40 percent fewer were channeled into the production sphere than a year ago. The commissioning of housing has declined 6 percent.

As for agriculture, as of 30 May agricultural enterprises had sown 50.6 million hectares to spring crops as against 53.2 million last year. It is true that spring grain crops have been sown on 34 million hectares, which is 2 percent more than a year ago. A motley picture characterizes livestock raising. As a whole the production of meat and milk has declined 8-10 percent. But on private farms it has actually increased while at agricultural enterprises it has declined 15-16 percent.

In foreign trade exports rose 9 percent and imports declined 28 percent, which ensures Russia a reliable positive balance. But little is changing in the structure of exports. Gas (20 percent), crude oil (19.5 percent), petroleum products (7 percent), and ferrous metals (10 percent) continue to predominate in it while machinery and equipment account for a miserly share (33 percent). Essentially it is the trade balance of a developing country. But we must realize that substantial changes here are possible only as a result of profound transformations in the entire economy.

In recent months inflation has been markedly checked. Compared with December 1993 consumer prices have increased just 72 percent. Average wages have increased 5 percent compared with april (prices have increased 7 percent) totalling 180,000 rubles [R]. The highest wages are for workers in the fuel industry (R420,000), electricity (R381,000), and the credit and insurance sphere (R366,000). Real disposable monetary incomes (incomes left after counting essential payments corrected against the consumer prices index) increased 11 percent over the past year.

Reform Center Leaders Say Inflation Stable

LD1506173594 Moscow Russian Television Network in Russian 1600 GMT 15 Jun 94

[From the "Vesti" newscast]

[Text] The state of affairs in Russia's economy is normal and whatever kind of market has been formed, the state's intervention in market relations has been minimal. This was stated today at a news conference by the heads of the government's Economic Reform Center. According to them, inflation over the last couple of months has remained at a low level—8 percent. However, there are certain trends toward it increasing. The ruble has been losing its value at a slower rate than prices have been rising, and the average wage has moved closer—calculated in foreign currency—to $100.

Meanwhile, according to the Economic Reform Center, there remains a considerable fall in output in the machine-building and fuel and power complex. The failure of enterprises to make payments are not too good, either. Their debts on wages remain high. However, according to Richard Yard, an economist from Britain, this type of nonpayment was reduced by 4 percent compared with April. Moreover, according to Yard, the overdue debts of enterprises are lower than the European average. The London economist noted that in the sphere of employment among the Russian population, as nowhere else in the world, the redistribution of the working people in production outstrips open unemployment. And the latter in our country increased by only 1 percent during the past 18 months.

The most comforting news was given by Sergey Pavlenko, a spokesman for the Economic Reform Center. Among the population, faith in financial institutions has increased. The citizens' savings are growing not in hard currency, but in rubles.

Yeltsin Appoints Chairman of Foreign Trade Bank

LD1506163894 Moscow ITAR-TASS in English 1626 GMT 15 Jun 94

[Text] Moscow June 15 TASS—Russian President Boris Yeltsin signed a decree on Wednesday appointing acting chairman of the Russian Vneshekonombank (Foreign Trade Bank) Anatoliy Nosko Vneshekonombank chairman for three years.

Chubays on Post-Voucher Privatization

LD1506185694 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] The validity of vouchers will not be prolonged after June 30 and President Yeltsin may sign a decree on post-voucher privatization soon, Vice-Premier, Chairman of the RF State Property Committee Anatoliy Chubays said.

Interviewed by the Financial Information Agency on Wednesday, Chubays said that the program for post-voucher privatization approved by the government was to be submitted to President Yeltsin for signature no later than June 25.

Chubays said that the bulk of funds (51 percent) raised by the post-voucher privatization beginning on July 1 would be left to the enterprises.

About the mechanism of post-voucher privatization Vice-Premier said that simultaneously with the presidential decree effecting it the program would be presented to the State Duma for consideration.

Chubays said that discounts to staffs were one of the key features of monetary privatization.

Two types of discounts are planned. Under one option the employees will receive no more than 25 percent of privileged shares giving no right to vote free. Under the other the employees will be able to buy out 10 percent of simple (voting) actions at a 30 percent discount. The starting price of shares is expected to grow 600 to 700 percent, because the assets will be evaluated in January 1, 1994 prices.

Military, Nuclear & Space Issues

Kokoshin Terms Defense Budget 'Unacceptable'

LD1506204194 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] First Deputy Defense Minister Andrey Kokoshin has described Russia's military expenditure for 1994 as totally unacceptable and absurd. Kokoshin took part in a

nationwide conference on the development of avionics in St. Petersburg Wednesday.

Kokoshin told Interfax that the budget proposed by the State Duma would not only fail to lead the defense industries out of the standstill, but would completely ruin them.

Pointing out that Russia could still trade arms, including warships, Kokoshin said that the problem was to find a buyer rather than to sell the equipment at a profit.

During his stay in St. Petersburg, Kokoshin visited the holding company Leninets, developing military electronic products, and the dock Severnye Verfi to see the construction of several warships.

Kokoshin is leaving for Minsk to meet Belarusian Prime Minister Vyacheslav Kebich on June 16.

ITAR-TASS Reports Parameters of Foton Satellite

LD1506134294 Moscow ITAR-TASS World Service in Russian 0650 GMT 15 Jun 94

[By ITAR-TASS correspondent]

[Text] Moscow, 15 Jun—Another artificial Earth satellite, Foton, designed for continued study of the properties of materials in space, was launched on 14 June 1994 from the Plesetsk cosmodrome by means of a Soyuz booster rocket.

Its 18-day flight program envisages experiments on the production of semiconductors, optical glass with a variable refractive index, and biologically active substances in microgravitation, as well as the development of technologies for their experimental industrial production.

In accordance with a commercial agreement, a Biopan container with equipment designed by German specialists has been placed on board the Foton satellite.

The satellite has been placed in orbit with the following parameters:

—initial period of revolution—90.4 mins;
—apogee—385 km;
—perigee—229 km;
—orbital inclination 62.8 degrees.

The apparatus on board the satellite is working normally.

Deputy Minister on Nuclear Power Expansion

LD1506183594 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] By the year 2010 the share of electricity generated at nuclear power stations in Russia will grow to 30 or 35 percent compared to 14 percent last year. These figures were disclosed at a Wednesday news conference in Moscow by the Deputy Minister of Nuclear Energy Lev Ryabev.

According to the official, nuclear power engineering is going to expand as the production of oil and coal is going to decline; experts predict that only gas extraction is going to grow: from 620 billion cubic meters now to 780 billion in 2010.

Between 2001 and 2009 Russia will shut down all nuclear power plants of the first generation. All of them were designed before 1973 and do not meet modern safety norms. Such generators are located at the Leningrad, Kursk, Novovoronezh and Kola stations.

Ryabev said that power units of the third generation are now being developed and are equipped with safety systems which do not rely on human actions. The first power station of the third generation should be built in 2000 or 2002.

The ministry is also working on reactors of the fourth generation which according to Ryabev will be based on principles of "natural safety." These plants would be designed so that no escape of radiation is possible under any condition, the minister said.

Russia is determined to develop a closed production circuit in nuclear power engineering: Usable uranium will be extracted from used fuel and most of the highly active wastes burned in fast reactors.

Ryabev stressed that Russia has enough nuclear fuel to last till the year 2020 and the uranium ore extracted in the Chita Region is being exported. He said the ministry is open to the question of changing forms of ownership. "So far nuclear facilities are government property, but we are not ruling out the possibility that they can be turned into joint-stock companies or sold to private owners," Ryabev said.

Federal Assembly

Duma 15 Jun Proceedings Reported

PM1606094794 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 94 First Edition p 1

[Unattributed report: "Within Framework of Legal Norms"]

[Text] Yesterday the Russian State Duma deputies expressed concern in connection with the edict published Tuesday by President Boris Yeltsin on urgent measures in the struggle against crime. At the suggestion of Deputy Viktor Pokhmelkin from the "Russia's Choice" faction the chamber decided to analyze the head of state's document at a plenary session, having studied the edict beforehand in the relevant parliamentary committees.

In Viktor Pokhmelkin's opinion the edict contains violations of a number of legal norms. During the discussion of the motion as to whether the question of the president's edict should be put on the agenda, State Duma Chairman Ivan Rybkin stated that this document "must

be accompanied by the relevant changes and additions to the criminal and criminal procedure codes" and by a relevant State Duma decree.

At the same session the deputies voted to hold a meeting of parliamentarians of Russia, Ukraine, and Belorussia [Belarus] on the question of the Belovezhskaya agreement and its results. The motion on this subject was submitted by Deputy Oleg Mironov in the form of a decree supplementing the agenda.

A decision was also made to invite Russian Defense Minister Pavel Grachev to the Duma on Friday to explain Russia's actions in fulfilling its peacekeeping mission in Georgia and Abkhazia and also Foreign Minister Andrey Kozyrev to explain the situation surrounding North Korea.

Deputies Comment on Anti-Crime Edict

LD1506184294 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] The Russian president's decree on measures to combat banditism and organized crime has aroused controversy in the State Duma.

The Russia's Choice faction will urge the president to recall the decree, one of this faction's leaders, Doctor of Law Boris Zolotukhin told Interfax. Although the importance of combating crime is not in question, the decree is at variance with the Constitution, the Criminal Code and international human rights legislation, approved by Russia.

Leader of the Liberal-Democratic Party's faction Vladimir Zhirinovskiy told Interfax that the decree did not cause any objections. He noted, however, that it would not work fully if it was not supplemented with a State Duma resolution. He announced that his faction was drafting a resolution which would reduce the circulation of cash to the minimum by introducing credit cards, impose a state of emergency in individual regions, set up temporary courts for emergency trials which would be granted the right to execute the ring-leaders of criminal groupings without trial or due process, close major cities and banish foreigners from them, and close the state border in a number of regions.

Leader of the Communist Party's faction Gennadiy Zyuganov stated that the decree "grossly violated the current laws and neglected the Federal Assembly."

Member of the New Regional Policy group, Vice Chairman of the Committee for International Affairs Aleksandr Dzasokhov told Interfax that the time had come to intensify the campaign against crime. "However, it must not be based on mass violations of human rights," he said.

He believes that the president's representative must make a proposal in the State Duma on amending the current legislation for stepping up measures to combat crime.

A leader of the Party of Russian Unity and Concord, Sergey Stankevich, said that whereas the importance of a resolute campaign against crime was indisputable, the methods listed in the decree were quite alarming. The decree gives everyone direct administrative access to commercial information, which goes against the constitutional norms, he said.

Leader of the Russian Way group Sergey Baburin said that the decree would give rise to administrative terror. He told Interfax that the decree neither defended human rights nor created mechanisms for combating crime. He also noted that he welcomed the State Duma's decision to include the discussion of the decree in the agenda of the next session.

Leader of the Democratic Party faction Nikolay Travkin said he would welcome the most ruthless measures to combat crime. If we fail to cardinally change the situation today, tomorrow human rights will be violated everywhere and more seriously than in the decree, he said.

The president's decree is an anti-constitutional act which is at variance with other Russian laws, Chairman of the State Duma's Committee for Security Viktor Ilyukhin (the Communist Party's faction) told Interfax.

The guarantor of the Constitution, the president violates the Constitution, he said.

He also urged Prosecutor-General Aleksey Ilyushenko to respond to such violations of the law.

Law Protecting Law Enforcement Bodies Adopted

LD1506204894 Moscow ITAR-TASS World Service in Russian 1600 GMT 15 Jun 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow, 15 Jun—The State Duma today adopted at its second reading the federal law "On State Protection for Judges, Officials, and Bodies of Law Enforcement and Control."

The law ensures protection for judges, officials, and bodies of law enforcement and control whose functions may put their safety in peril.

Viktor Mironov, deputy chairman of the State Duma Committee for Security, who presented the law to the deputies, expressed the hope that "this law will make it possible for staff of the law enforcement bodies to start combating crime in earnest."

Consumer Rights Protection Package Discussed

MK1506110094 Moscow KURANTY in Russian 15 Jun 94 p 2

[Nikolay Oleynikov report: "The Duma Is Concerned Over the Right to Life]

[Text] Yesterday parliamentary hearings were held in the State Duma, subject: "The Right to Life: the Safety of Consumer Goods and Services." Apart from representatives of the ministries and departments concerned, delegates from consumer societies from various Russian cities took part.

Not only medics are concerned about the noticeably growing mortality of Russians as a result of injuries and poisoning: up 2.35 times over the past six years. For instance, in 1993, 51,000 people died of alcohol poisoning—4.3 times more than in 1987. Many consumer goods are becoming rather a menace. Our country is turning into a dump where foodstuffs, consumer goods, and household electronics are being brought from all over the world which do not meet accepted safety standards, with expired shelf life dates. Our own producers are also notorious enough. Many departmental laboratories have been closed "for economic reasons." If a traditional wholesale merchandiser refuses to take a dubious lot, it can be disposed of through small distributors. Cunning entrepreneurs have found ways around bans and obstacles put up by standardization and quality control bodies.

What is to be done? Experts with organizations and establishments concerned, primarily the Russian Consumers' Union, consider it necessary to draft a federal program for three years and under this program create a state system to monitor the quality and safety of goods and services, based on a package of laws and government resolutions establishing safety norms for goods and services....

The project proposed by experts is good in all respects, even the idea of financing the federal program from an insurance fund with contributions from suppliers of potentially hazardous goods. Of course, money from the treasury is also needed.... But the main thing is clear: If Duma deputies like the draft, they will put it into action without a second's hesitation, taking a major step towards consumers' aspirations. And will thus justify this parliament's right to exist.

Liberal-Democratic Deputies Walk Out of Duma Session

LD1506164394 Moscow ITAR-TASS in English 1551 GMT 15 Jun 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow June 15 TASS—A group of deputies from the Liberal-Democratic Union "December 12th" walked out of the Duma session on Wednesday, saying they will not attend house hearings any more.

Speaking at a news conference, the deputies explained their decision by the fact that on June 13 the Committee for the Organisation of Work of the State Duma canceled the Union's registration, saying that it did not provide the required 35 applications by the day of registration.

Union member Boris Fedorov denounced the move, describing it as a provocation. He accused the Duma factions of the Liberal Democratic Party and Russia's Choice of backstage intrigues in order to get rid of the "wrong" deputies.

He also blamed Russia's Choice faction for actions aimed against their own allies.

Irina Khokamada, another member of the Union, believes that the decision has shown that the Duma is excessively politicised.

Rybkin Cited on Military Budget

LD1506220694 Moscow Russian Television Network in Russian 1920 GMT 15 Jun 94

[From the "Vesti" newscast]

[Text] An official delegation of the State Duma, headed by its chairman Ivan Rybkin, set off for a visit to Germany in order to study the experience of the German parliament.

[Begin recording] [Correspondent N. Miroshnik] Before the State Duma delegation left by air for Germany, delegation head Ivan Rybkin said that the program of the trip includes a visit to the Western Group of Forces, and a meeting with commander General Burlakov. On the subject of providing facilities for servicemen, the speaker gave assurances:

[Rybkin] The sums in the budget allocated for paying servicemen's wages are protected, that is they cannot be removed or reduced under any conditions.

[Miroshnik] Servicemen in this case, like cultural institutions, are put on a level with the least protected strata of society—children and veterans. A total of 40.6 trillion rubles has been allocated for defense in the new budget, and, Rybkin believes, this sum is sufficient for the normal maintenance of the Army.

[Rybkin] For the first time in the past three years, the Army has a firmly fixed sum for its maintenance.

[Miroshnik] Furthermore, 1.2 trillion rubles has been put in a non-budgetary fund. It is expected that this money will be received from the income from monetary privatization. Experts believe that the actual income from that will be no less than 12 trillion rubles, and in this case:

[Rybkin] All the income from privatization in excess of 1.2 trillion rubles will go toward building housing for servicemen and toward conversion. [end recording]

Regional Affairs

Yeltsin Continues Visit to Amur, Tuva Regions

Explores Amur's Economic Potential

PM1606121194 Moscow ROSSIYSKIYE VESTI in Russian 16 Jun 94 p 1

[Report by Nikolay Belyy: "Amur Oblast Has Every Opportunity to Stop Being Subsidized"]

[Text] Blagoveshchensk—Russian President Boris Yeltsin's working trip to Amur Oblast continued 15 June. In Blagoveshchensk he visited a shipbuilding plant where seiners for Far East fishermen are assembled and difficult orders connected with the defense industry are carried out. The president met with workers in the workshops and expressed interest in the course of economic reform at the major enterprise involved in conversion. Boris Yeltsin also visited one of the leading enterprises in the Amur region—the multi-sector "Partizan" joint stock company. This enterprise alone produces more soybeans, for example, than the whole of the neighboring Khabarovsk Kray.

A detailed conversation about the fuller use of the Amur region's potential took place at the oblast administration. There the president briefly shared his impressions from meetings with Amur inhabitants and stressed that the people's mood struck him favorably: They are not hiding the difficulties, but, he noted, they are not panicking. Boris Yeltsin spoke critically about local trade, noting the small range of output in the stores. It was noted at the conference that a beginning has been made on the formation of a market infrastructure in Amur Oblast.

However, parasitical attitudes and contempt for the laws of a market economy at the primary level, in the enterprises, is one reason for the economic crisis and the fall in the volume of production.

Apart from the crisis factors common to the whole country, there are also purely regional factors. The cost of output is high because of transportation expenditure and the disparity between the price of industrial and agricultural output, as a result of which 100,000 tonnes of soybeans, produced last year, are left unclaimed in storehouses. The biggest problem of all is the lack of a base for processing agricultural raw materials. To overcome it, Amur Oblast needs to construct a major plant for processing soybeans; after all, the Amur region provides something in the order of 70 percent of Russia's soybeans. Right away, turning to A. Shokhin, the president gave the government instructions to work on this question and provide the necessary federal assistance. Similar instructions were given to develop a free trade and economic zone in the Blagoveshchensk area.

The task was set of bringing the oblast's mineral and raw material resources more quickly and fully into economic circulation; their overall value is assessed at $360 billion. There is a possibility of increasing the volume of gold extraction by a factor of 1.4-1.7 in the next five years. The overwhelming proportion of known reserves and predicted resources are concentrated in developed areas, so that growth can be achieved without using up big allocations.

In the evening of 15 June B. Yeltsin left Blagoveshchensk for Kyzyl.

Arrives in Tuva

LD1506191894 Moscow ITAR-TASS World Service in Russian 1403 GMT 15 Jun 94

[By ITAR-TASS correspondents Tamara Zamyatina and Yevgeniy Sovetskiy]

[Text] Tuva, 15 Jun—The Russian president today arrived in Kyzyl, the capita of Tuva, from Blagoveshchensk, and has called for Russia's economic and social problems to be solved by the combined efforts of the center and the regions.

Before meeting Boris Yeltsin, Kaadyr-ool Bicheldey, chairman of the Tuva Republic's parliament, told an ITAR-TASS correspondent that the local authorities and population expect understanding of the region's special character to be shown during the visit. The leaders are counting on the president helping to solve the republic's transport problems. "If life in Tuva used to be dependent on vehicle wheels, then that has now changed to steamship propellers, since the use of wheels would mean doubling the costs of cargo transportation," Kaadyr-ool Bicheldey said.

Bicheldey sees Yeltsin's visit to the republic as a continuation of the policy of passing control over both the economy and politics from the state to the regions. Here, the parliamentary chairman described the existing contradictions between the constitutions of Russia and Tuva as "a matter to be agreed upon."

Promises Economic Assistance

LD1606095894 Moscow ITAR-TASS World Service in Russian 0830 GMT 16 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Kyzyl, 16 Jun (ITAR-TASS)—"The Russian regions are starting at different levels and need differing approaches to building their statehood," said Russian President Boris Yeltsin on the results of his working trip to Blagoveshchensk and Tuva at a meeting with the leadership of that republic.

"We must not create 'standard republics'. They are never going to be the same, they all have their own features," the president believes. "When implementing economic policy we have to take account of the regional particularities of each component of the Russian Federation. We will be working out a specific line for relations with every republic, oblast, and kray," Boris Yeltsin noted.

Life in the Republic of Tuva depends on its relations with the outside world. Many difficulties could have been avoided if ties with the regions of the Russian Federation had not broken down. Tuva, the president noted, borders on Mongolia and has contacts with China—these ties must be developed. The republic can only be brought out of its grave economic situation through pushing ahead with the development of contacts with other regions, in part through taking part in the "Siberian Accord" interregional association.

President Yeltsin stressed that strengthening the Russian Federation is the president's most important task. "The state must have a single economic space and a single body of legislation," he said. "This means opening up unique opportunities for every part of Russia on this basis."

Moving on to the economic state of the republic, Boris Yeltsin noted that basic indicators in Tuva are considerably worse than the average in Russia. This means the Republic of Tuva is unable to live by its own means.

Touching on his working visit to Amur Oblast, which ended 15 May, Boris Yeltsin said that this oblast should not, by virtue of its economic structure, be subsidized. It can get out of that situation. But the president is not setting Tuva the same task: "The difference is too great between specific indices and the people's standard of living. It would be unfair to tell them to live by their own means. The people and the leadership there cannot do that and nobody is blaming them for that. That is how the structure of Tuva's economy has developed. Therefore, we must help the republic do enough to bring the standard of living of its people up to the standard of living of people throughout Russia."

Moreover, the president noted, he does not intend to confine himself to promises alone, but has given a guarantee to the leaders of Tuva that there will be solid assistance from the Russian budget.

The president called on the people of Tuva to work more actively on assimilating market relations and moving the reforms forward.

He noted the rich natural resources of Tuva. In the president's opinion, the republic could supply itself with timber and electricity and develop resort tourism. The most acute problem for the region in all this is developing the infrastructure and transportation links.

Boris Yeltsin expressed hope that the population in the republic will get their "second wind" following this meeting with the president of Russia.

In conclusion, the president said that two decrees which he signed in Tuva for the development of the economy and the social sphere in the republic must be implemented. The president noted that the former lack of trust between the center and the Tuva leadership has now been overcome and that the strained atmosphere among nationalities of two years ago no longer exists in the republic. The main thing now is therefore to act together to bring the republic's economy out of crisis in order to establish normal social conditions for the population of Tuva.

Leaves Kyzyl for Novosibirsk

LD1606122294 Moscow ITAR-TASS World Service in Russian 1058 GMT 16 Jun 94

[By ITAR-TASS correspondent Yevgeniy Sabetskiy]

[Text] Kyzyl, 16 Jun (ITAR-TASS)—President Boris Yeltsin's working tour of the country's eastern regions has ended. Having assessed its results as rather important at the conference with leaders of the Republic of Tuva, he left Kyzyl for Novosibirsk.

Boris Yeltsin is returning to Moscow today.

Stepashin Begins Anti-Crime Tour in Sakhalin

OW1506121194 Yuzhno-Sakhalinsk Teleradiokompaniya Sakhalin Television Network in Russian 1905 GMT 14 Jun 94

[Aleksey Bayandin report over video; from the "As of This Hour" newscast of the "Morning Cruise" program]

[Text] Sergey Stepashin, director of the Federal Counterintelligence Service, has begun his tour of the country with a visit to Yuzhno-Sakhalinsk. The government aircraft landed this morning at the oblast center's airport. The esteemed guest was met at the aircraft steps by Valiula Maksutov, chairman of the oblast duma; Nikolay Dolgikh, first vice governor of the oblast; Vladlen Sychev, commander of the Army; and other officials. We managed to get an interview for our program.

[Begin recording] [Bayandin] What is the aim of your visit to Sakhalin?

[Stepashin] Well, first of all to take a look at how people here live and work, including our department here. Now I do not know whether or not the president's new edict on the fight against crime has been received here....

[Maksutov, interrupts] Of course it has.

[Stepashin] Well, that is one of the main tasks. I am a bit hoarse from the plane trip, so pardon my voice, but generally the president instructed me to go out and see all the regions and this is where Russia begins.

[Bayandin] Tell us please, how do you assess the work of Sakhalin counterintelligence agents in the past?

[Stepashin] How do you assess it?

[Reporter] Personally I assess it very highly because there were some operations involving the apprehension of smugglers which were carried out very well.

[Stepashin] Well, our assessment is also fairly positive. It was formed not only during the Putina operation. What

used to be known as an open zone, I have Sakhalin in mind, has not worked out yet but the manifestations that we have seen from the neighboring state and others are being successfully realized by our administration, so our assessment coincides with yours. [end recording]

During the visit the director of the Russian Federal Counterintelligence Service will acquaint himself in greater detail with the activities of Sakhalin counterintelligence agents and will outline ways for raising the efficiency of their work in the future.

And so the leaders of two key ministries engaged in the struggle with crime have visited our oblast during a short period of time. Does this signify that a serious challenge has been made to organized crime on Sakhalin? Will the crime situation in the region improve significantly?. Well, we must wait and see.

Voices Alarm Over Crime, Activities of Koreans

OW1606060394 Yuzhno-Sakhalinsk Teleradiokompaniya Sakhalin Television Network in Russian 1905 GMT 15 Jun 94

[S. Moskvin report over video; from the "As of This Hour" newscast of the "Morning Cruise" program]

[Text] Sergey Stepashin, director of the Russian Federal Counterintelligence Service [FCS], held a news conference with journalists today at the oblast administration of the counterintelligence service. During the 30-minute meeting, he answered a wide variety of questions.

Sergey Stepashin characterized the country's current crime situation as critical. Soon the Russian Ministry of Internal Affairs, headed by Viktor Yerin, and the FCS will sign a cooperation pact in the struggle with corruption and organized crime. However, the shortcomings of legal and judicial laws continue to serve as loopholes through which criminal elements escape from retribution.

[Begin Stepashin recording] What is particularly alarming today are the shortcomings in the judicial system. I remember when I was the chief of the St. Petersburg and before that the Leningrad administration of the (?KGB) and then the Security Ministry. We had 12 cases involving corruption among the highest echelons of power, at the level of heads of administrations, two deputy mayors, the former director of the Baltic Steamship Company Kharchenko—you may have heard of that affair—and they were all (?thrown out) by the courts. [end recording]

As far as the establishment of contacts between the Russian Mafia and their foreign colleagues is concerned, the FCS has already signed a number of agreements on joint cooperation with the special services of China, Korea, Egypt, and Japan. The director of the FBI will visit Moscow at the beginning of July to bridle the rampant mafiosi together with our counterintelligence agents.

The activities of North Korean citizens on the territory of the former Soviet Union also elicit very serious alarm since they are, under various pretexts, engaged in a search for components for nuclear weapons.

In conclusion, Sergey Stepashin told the news conference that the FCS plans to intensify its activities aimed at strengthening Russian interests. Tonight he will leave for Vladivostok to continue his visit to the Far East.

Favors 'Extraordinary' Measures

LD1506134694 Moscow INTERFAX in English 1223 GMT 15 Jun 94

[Text] Head of Russia's Federal Counterintelligence Service (FCIS) Sergey Stepashin is in favor of extraordinary measures to combat crime.

Speaking at a press conference on Wednesday in Yuzhno-Sakhalinsk, he pointed out that "a real war of criminal clans is beginning in the country now. They use the most advanced technical means of destruction. That's why there has appeared an urgent necessity to adopt extraordinary measures," he stressed commenting the presidential decree on strengthening the fight against crime.

Asked about the situation concerning espionage, Stepashin said that his department is especially concerned at the activity of the special services of North Korea. He mentioned the recent deportation of five North Korean citizens from Russia who tried to find information on the components of nuclear weapons. According to Stepashin, three days ago several Korean citizens were detained in the Primorye Territory for similar reasons.

Having noted the active work of the US special service, Stepashin expressed his opinion that "the present level of openness is damaging our country."

On Thursday [16 Jun] Stepashin intends to visit Vladivostok and Nakhodka (Primorye Territory).

Says FCS, MVD To Cooperate

LD1606073594 Moscow ITAR-TASS in English 0635 GMT 16 Jun 94

[By ITAR-TASS]

[Text] Vladivostok June 16 ITAR-TASS—The Russian Federal Counterintelligence Service [FCS] is about to set up a special department to detect and detain criminals, FCS chief Sergey Stepashin said at a press conference in Vladivostok today. He also said the special services of Japan, North Korea and China have stepped up their activities in the Maritime Territory.

Responding to an ITAR-TASS question about interaction between the local branches of the Federal Counterintelligence Service and the local internal affairs authorities in light of the president's decree on emergency measures of protecting people from gangs of bandits and other forms of organised crime, Stepashin said he would

sign an agreement with the Interior Minister Viktor Yerin next week to boost interaction and divide powers between the two government agencies.

According to Stepashin, it has been decided to put an end "to certain competition between the agencies". Counterintelligence agents will tackle corruption in the top echelons of state power and jointly with the Interior Ministry will trace a number of organised criminal groups active in in the field of international terrorism and the narcobusiness. The Federal Counterintelligence service will help the Interior Ministry also by supplying it with special equipment.

Stepashin said the president would soon sign a decree setting up a special department within the service in the centre and its territorial branches in the regions of the Russian Federation. They will enable the counterintelligence service to take direct part in detecting, detaining and destroying those who encroach on the law, human life and rights.

Stepashin said the president's decree was "very tough" and expressed confidence that it would be supported by an absolute majority of people in Russia. "But on one condition - if tangible results are achieved. If the Federal Counterintelligence Service, the Ministry of Internal Affairs and the prosecutor's office of the Russian Federation fail to implement the decree, the question will have to be raised about personal responsibility".

Stepashin left for Nakhodka today.

Shakhray in Arkhangelsk on Working Visit

LD1506125694 Moscow ITAR-TASS in English 1045 GMT 15 Jun 94

[By ITAR-TASS correspondent Vladimir Anufriyev]

[Text] Arkhangelsk June 15 TASS— Russian Vice-Premier Sergey Shakhray arrived in Arkhangelsk on Wednesday to look into the problem of cargo deliveries to areas of Russia's extreme north. Upon arrival, Shakhray said at the airport that he intends to familiarise himself with the situation on the spot and check whether funds allocated for this purposes were efficiently used.

During his stop in Arkhangelsk Shakhray will visit an oil base, a sea port and hold a conference with the administration of the Arkhangelsk region.

Dudayev Wants Meeting With Yeltsin

LD1606092194 Moscow ITAR-TASS World Service in Russian 0725 GMT 16 Jun 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 16 June—Today President Akhsarbek Galazov of the Republic of North Osetia met Shmidt Dzoblayev, a member of the public chamber under the president of the Russian Federation and secretary general of the Assembly of Democratic Forces of the North Caucasus, who has decided to act as intermediary in dialogue between the Russian and Chechen leadership.

The leader of the regional democratic movement told Akhsarbek Galazov that he had talked to the leadership of the Chechen Republic in Groznyy on 15 June. They discussed the restoration of normal relations with the Russian Federation, the role of Chechnya in settling Ossetian-Ingush relations, and ways to achieve stabilization in the North Caucasus region.

Shmidt Dzoblayev told the ITAR-TASS correspondent that Chechen President Dzhokhar Dudayev is ready to meet Russian President Boris Yeltsin and has said so many times. The Chechen side is considering establishing relations by treaty with Russia and is advocating the creation of guarantees against political repression. Dzhokhar Dudayev expressed readiness to promote the establishment of goodneighborly relations between the peoples of Chechnya, North Ossetia, and Ingushetia.

Calls Opposition 'Criminals'

LD1506163594 Moscow INTERFAX in English 1348 GMT 15 Jun 94

[Text] Chechen President Dzhokhar Dudayev said there was no political opposition in the republic. "There is no opposition, just ordinary criminals protected by Russia which seeks to get its way in the Chechen Republic," he said in an interview with Interfax.

Asked by an Interfax correspondent about the possible aims of the Russian leadership in Chechnya, Dudayev said it was trying to discredit the Chechen leadership, to deteriorate the situation. He said Russia was also involved in terrorism, sabotage and provocations which Dudayev believed, according to plans of Russian politicians, might lead to chaos and collapse in Chechnya.

Dudayev said Russia was carrying out a policy of aggression against Chechnya.

"When did Russia put an end to the Russian-Caucasian war? I think, it never stopped. The present situation is just a continuation of it but in a more sophisticated manner," Dudayev said. In Chechnya, aggression, occupation, genocide and violence have been going on for 300 years already, he concluded.

Chechen Opposition Head Denies Moscow Backing

LD1506185794 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] In Chechnya the head of the opposition Provisional Council has declared that the opposition in his republic does not enjoy support from Moscow.

"Time will tell whom Moscow is going to deal with in the future, Umar Avturkhanov told Interfax on Wednesday,

but at the moment political or economic support for the Chechen opposition by Russia is out of the question."

He also denied reports that Ruslan Khasbulatov is the shadow leader of the opposition and described them as groundless inventions. "We ask him for advice in one way or other, because he is also worried about the future of his people", Avturkhanov said.

According to him, the delegation of the opposition began talks with Russia with the hope of working out a draft bilateral treaty and resolving several economic problems.

"We would want Russian federal government bodies to take the Chechen question seriously, we want every official to know that deciding about Chechen matters he decides about the Russian state system", Avturkhanov said.

Khasbulatov 'Shocked' by Measures Against Rebels

LD1606121694 Moscow INTERFAX in English 1037 GMT 16 Jun 94

[Text] Ruslan Khasbulatov expressed his condolences today to the families of the victims of the recent armed clashes between governmental troops and a militant group in Groznyy.

Today Interfax received a statement of Khasbulatov. For instance, the statement said, "I am shocked by this tragedy and by the fact that armored vehicles and armored equipment were used in the center of a densely populated city." He said it was inadmissible to use such extreme methods even when confronted with criminals if this could lead to the death of innocent people.

The armed clash took place last Sunday and Monday. The opposition headquarters told Interfax that the governmental forces had surrounded the group led by Ruslan Labazanov and subjected the residential areas of the district to heavy fire.

Such developments followed the order issued by Chechen Military Commander Sultan Geliskhanov on the disarmament of illegal military formations.

The opposition said that from 180 to 300 people had been killed during these events, most of them civilians. The official authorities said there were no more than ten people had been killed and no more than sixty wounded.

The opposition headquarters told Interfax that Labazanov and 200 of his supporters had fled. Labazanov said he would enact what he called a bloody revenge on Chechen President Dzhokhar Dudayev and Military Commander Geliskhanov and on their relatives for the innocent people killed during these events.

Chita Constructon Workers Threaten Strike

LD1606055794 Moscow ITAR-TASS World Service in Russian 0108 GMT 16 Jun 94

[By ITAR-TASS correspondent Andrey Fomin]

[Text] Chita, 16 Jun—This morning the broadcast on Chita radio was interrupted for an emergency report. The oblast administration appealed to the residents of the Trans-Baykal settlement of Yasnogorsk to maintain law and order. An explosive situation has taken shape in the settlement where the largest power station in Russia, the Kharanor state regional electric power station [GRES] is being constructed. The construction workers for the "Chitaenergostroy" [Chita power construction] joint-stock society have not received their wages for several months. In spite of this, on the decision of the federal bodies of authority, the Kharanor GRES is scheduled to go on stream this year, nevertheless the financing of this facility has practically been stopped. The residents of Yasnogorsk have repeatedly addressed a demand to the government of the Russian Federation and to the management of the joint-stock society of Russia's unified power system that overdue wages should be paid, but their voice has not been heard. The construction workers' hunger strike which was held in the run up to this did not help either.

In this connection, it has been decided to stage a mass action of protest at the Kharanor GRES. A strike committee has been set up here. The power construction workers intend to start an indefinite strike, starting 25 June. And today the strike committee is planning to hold a rally in the settlement, permission for which has been obtained from the local bodies of authority. But at the same time it would appear from the information coming in from the construction site of the GRES that it is not to be ruled out that part of the workforce will stage unlawful actions. In particular, the residents of Yasnogorsk have repeatedly stated that they will block traffic on the railway connecting the Trans-Siberian railway with China, using bulldozers, and other heavy equipment.

In the radio appeal to the power construction workers, the oblast administation which has fully supported the demands of the residents of Yasnogorsk regarding the payment of overdue wages, has at the same time asked the residents of the settlement to refrain from hasty actions. In their turn the bodies of authority of the Trans-Baykal region, as was stated in the appeal, are taking every measure not to allow a social explosion at the Kharanor GRES, to get the power station commissioned on time. In particular, the administration has sent detailed information about the situation in Yasnogorsk and its proposals for extricating the construction site from crisis to the president and government of the Russian Federation.

International Affairs

Zlenko Comments on DPRK Withdrawal From IAEA

LD1506131694 Moscow INTERFAX in English 1044 GMT 15 Jun 94

[Text] North Korea will have to face hard times, Ukrainian Foreign Minister Anatoliy Zlenko told journalists on Tuesday [14 June].

Commenting on the decision of North Korea to cease its participation in the International Atomic Energy Agency [IAEA], Zlenko said he believed it would be very difficult to confront the whole world community which stands for the elimination of nuclear weapons.

Zlenko repeated that the position of Ukraine had been made clear during the recent visit of the North Korean foreign minister. He said Ukraine was hoping that North Korea was moving towards a non-nuclear status. On this basis, Kiev is ready to cooperate with North Korea, Zlenko added.

Kravchuk Receives Israeli Foreign Minister

LD1506174894 Moscow ITAR-TASS in English 1739 GMT 15 Jun 94

[Report by UKRINFORM correspondent Aleksey Trotsenko for TASS]

[Text] Kiev 15 June TASS—Ukrainian President Leonid Kravchuk received on Wednesday [15 June] Israeli Foreign Minister Shim'on Peres who is in Ukraine [on] an official visit. During the talks the two sides discussed the state of and prospects for Ukrainian-Israeli cooperation.

Kravchuk Talks With Russian Union Leader Volskiy

LD1506111094 Moscow ITAR-TASS World Service in Russian 0946 GMT 15 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 15 Jun—Ukrainian President Leonid Kravchuk today received Arkadiy Volskiy, leader of the Russian Union of Industrialists and Entrepreneurs, at the latter's request. Ukrainian Deputy Prime Minister Vasyl Yevtukhov and Leonid Kuchma, president of the Ukrainian Union of Industrialists and Entrepreneurs, participated in the meeting, which was held behind closed doors.

ITAR-TASS has learned that there was discussion during the meeting regarding regulation of the customs regulations between Russia and Ukraine, taxes, and also bilateral payments. For this purpose, entrepreneurs of the two states intend to sign a contract today on setting up a Ukrainian-Russian bank.

United States Offers Mediation in Black Sea Fleet Talks

LD1606095794 Kiev UNIAN in Ukrainian 0745 GMT 16 Jun 94

[Text] Kiev [no date as received]—Ukrainian Defense Minister Vitaliy Radetskyy is continuing his official visit to the United States. During a meeting between the Ukrainian and U.S. defense ministers on 14 June, the U.S. side again emphasized its willingness to mediate between Ukraine and Russia on the division of the Black Sea Fleet, the press service of Ukraine's Ministry of Defense reports.

Radetskyy and William Perry also discussed the implementation of the trilateral statement by the presidents of Ukraine, the United States, and Russia. The Ukrainian defense minister noted that the work on the withdrawal of nuclear arms from Ukraine was proceeding in strict accordance with the schedule.

The sides also discussed the Partnership for Peace program and joint training between the two states' subdivisions at various levels. On 15 June, Radetskyy and Perry plan to visit a naval base in Norfolk and meet with NATO Supreme Allied Commander Atlantic David Miller.

Plyushch Revives Black Sea Fleet Zero Option

PM1506161594 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 94 p 3

[Report by Vladimir Maryukha under the "Events and Commentaries" rubric: "From a 'Little Fleet' to a 'Little Creek' in Russia. Such Are the Various Wishes Expressed by Ukrainian Politicians 'Milking' the Dividing up of the Black Sea Fleet for Everything They Can Get out of It"]

[Text] According to an RIA report, Ivan Plyushch, contender for the office of Ukrainian president, has voiced a desire to "add" to Ukraine a "little creek" to Ukraine "somewhere in Kaliningrad Oblast or the Far East," through dividing up all the fleets of the former Union. Contrary to all agreements reached earlier, in the home straight of this election campaign Plyushch is again using the "zero option" of dividing up the Black Sea Fleet to put the cat among the pigeons: He is saying that everything stationed in Ukraine is Ukrainian, and this represents a new spiral of confrontation between Russia and Ukraine!

President Leonid Kravchuk is being more consistent in his plans. Speaking on Ukrainian radio, he announced his intention after resolving the Black Sea Fleet problem to sign a wide-ranging agreement between Russia and Ukraine which, in his opinion, "will put Ukrainian-Russian relations on a qualitatively new footing." Nevertheless, this and the definite progress which has been achieved in Kiev at talks to divide up the fleet have not prevented the Ukrainian leader from sending his defense

minister, Army General Vitaliy Radetskyy, on a "mission" to the United States, where one of the issues under discussion will be consultations on the problems of the Black Sea Fleet.

Meanwhile, the situation in the fleet itself is not changing for the better. Yesterday at about 0500 hours at one of the units of the Black Sea Fleet's shore-based forces near Simferopol there was an armed attack on a sentry guarding a military storage facility. The sentry sustained a flesh wound to the chest from a small caliber weapon. His life is not in danger, and an investigation is under way.

But it is the mythical withdrawal of materiel rather than the threat to the sailor's life which alarms the Ukrainian military. The Ukrainian Naval Forces Military Council is protesting about the alleged withdrawal of fleet materiel from the Crimean Naval Base, the Ochakov Division, and other places. The thought occures that we have not yet had time to forget how similar "protests" in Odessa ended up—beginning with an attempt to detain the Cheleken, Ukrainian special purpose troops used force to "nationalize" a whole division of Black Sea Fleet ships.

National Affairs

Masol Elected Prime Minister at Parliament Session

LD1606085494 Kiev Radio Ukraine World Service in Ukrainian 0810 GMT 16 Jun 94

[Excerpts] [Speaker Oleksandr Moroz] The floor is given to the chairman of the counting commission, Mykhaylo Dmytrovych Syrota.

[Syrota] Esteemed people's deputies! Allow me to announce the protocol of the counting commission. This is protocol number eight of the Supreme Council of Ukraine counting commission of 16 June 1994. [passage omitted]

On the results of the secret ballot on the appointment of prime minister of Ukraine—candidate Vitaliy Andriyovych Masol was entered on the ballot-paper on the appointment of Ukraine's prime minister. On the basis of the results of the secret ballot, the counting commission has established:

The overall number of people's deputies of Ukraine elected to date: 337. The number of people's deputies whose powers were recognized by the Supreme Council of Ukraine: 335, as you know, Kudyukin and Hrynyov have not been confirmed. The number of people's deputies of Ukraine who received ballot-papers for the secret ballot: 302. The number of people's deputies of Ukraine who took part in the vote: 224. The number of votes cast in favor of the candidate: 199. [applause] The number of votes cast against the candidate: 24. The number of ballot papers recognized as invalid: one. [passage omitted]

In accordance with Article 97 of the Constitution of Ukraine and clause 22.6 of the Temporary Procedures of Supreme Council Sittings, the counting commission has ruled to recognize Vitaliy Andriyovych Masol as being confirmed for the post of prime minister of Ukraine. [applause]

Kravchuk on Nomination

LD1506113594 Moscow ITAR-TASS in English 1102 GMT 15 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 15 June TASS—Ukrainian President Leonid Kravchuk has proposed making Vitaliy Masol, 66, Ukraine's new prime minister. A member of the Ukrainian parliament, Masol was the last head of the Ukrainian Government under communists.

Earlier he worked for 20 years at the Novokramatorsk machine-building plant, rising from assistant foreman to general director. He later worked on the state planning committee and headed the Ukrainian Government until October 1990 when he resigned in protest against the political and economic course approved by the then parliament under pressure from national democrats.

In the present parliament Vitaliy Masol has no party affiliation, although he says he remains "a communist at heart." The former premier has a good chance of regaining the post, because the communist majority in the parliament is expected to back his candidature.

Vitaliy Masol will present his programme to the parliament within the next few days.

Speaks on Masol's Candidacy

LD1506132294 Kiev Radio Ukraine World Service in Ukrainian 0945 GMT 15 Jun 94

[Speech by Ukrainian President Leonid Kravchuk at opening session of the Ukrainian Supreme Council in Kiev—live]

[Text] Esteemed people's deputies. You will recall that when the Supreme Council session was opened in this chamber a preparatory working group submitted proposals and issues that were to be considered by the Supreme Council for the agenda. One of the first points after the organizational formation of the Supreme Council was the issue of the government. I also know that the overwhelming majority of deputies who announced their preelection programs also took into account the fact that one of the first actions of the Supreme Council of the new convocation would be the appointment of a prime minister and the formation of a government. It is completely fair that in the present situation it is necessary to have a government which is capable of conducting reforms, one that will take Ukraine out of the crisis and guarantee the stabilization, above all, of its economic development.

Taking into account that the Supreme Council of the present convocation has a functional structure and a party structure, that is, deputies' groups and groupings are present in it, I had a meeting with the Supreme Council Presidium and with members of groups and groupings at which candidates for the post of Ukraine's prime minister were proposed. They were discussed and analyzed during the meeting. The economic situation which our state finds itself in was also analyzed. Both the deputies' groups and the Supreme Council Presidium, with my participation, raised those issues which are constantly being raised both in the Supreme Council and in our society. These are: consistent implementation of economic reforms, [Ukraine's] emergence from the economic crisis, stabilization of the economy, and social protection of the population, particularly its most vulnerable sections.

Having such a structure in the Supreme Council, I submitted a proposal to debate in detail the candidacy, and, taking account of the present situation and the balance of forces in the Supreme Council, I propose Vitaliy Andriyovych Masol for the post of prime minister of Ukraine. I believe this nomination will be supported by the majority of people's deputies. This nomination is supported by some of the parliamentary groups and, as far as I understand, the majority of the Supreme Council's Presidium. Other candidates have been proposed, as you have been informed. But considering the situation, and knowing that other candidates do not have the support of a majority in the Supreme Council Presidium and the groups, I want to avoid putting these candidates in a position which could harm the appointment of the prime minister and mount political tension. I want to elect a prime minister in a constitutional manner without violating the procedure and the constitution. This is what I propose, and I would ask you to consider this.

Masol Nomination Speech

LD1506185494 Kiev Radio Ukraine World Service in Ukrainian 0950 GMT 15 Jun 94

[Speech by Deputy Vitaliy Masol at the Ukrainian Supreme Council following his nomination by President Leonid Kravchuk for the post of prime minister, in Kiev—live]

[Text] Esteemed chairman, esteemed president, esteemed people's deputies: I would like first of all to extend my sincere appreciation to President Leonid Makarovych Kravchuk for nominating me to the high and responsible post of Ukraine's prime minister. I am sincerely grateful to Supreme Council Chairman Oleksandr Oleksandrovych Moroz for his support and to all the people's deputies who asked me long before my nomination as the proposed head of government to agree to this proposal. I hope that they intend to support me during the voting.

In agreeing to lead the government, if I am appointed today to do so, I am fully aware of the enormous responsibility placed on anyone making this decision during this difficult period that our young independent state is undergoing. I would like to assure you in all frankness that my intention and consent to take this important state office, if the nomination is successful, is not based on some personal ambition or selfish interest, but is based solely on an understandable desire to use my intelligence, my experience, and my skill to overcome the economic difficulties, improve the people's living standards, and strengthen our statehood. This was the main purpose for which our electors sent us to Ukraine's top legislative body in an expression of supreme confidence and perhaps their last hope.

You understand that each of the possible candidates for this post simply cannot today have a specific program of action for the future government. Such a document may be drawn up on the basis of an in-depth professional analysis of the state of the economy and the practical needs of our development with due account of proposals coming from the commissions and individual people's deputies. All members of the government who will be involved in the implementation of the program should take part in its preparation.

Taking this into account, let me only dwell on the key conceptual approaches and certain organizational and practical issues which in my opinion require urgent solutions, and set out my position, my views, on the most important sociopolitical problems facing our state. I believe I should also outline my ideas as to the principles of forming the new government and organizing its work. That is, of course, if you should trust me to head the government.

Esteemed deputies, my political orientation is based on the premise that Ukraine must continue to develop as an independent, law-governed, democratic state. Our common cause, regardless of party affiliation, must be a concern for the strengthening of Ukraine's sovereignty, preservation of its territorial integrity, and inviolability of its borders. This is the most important task for Ukraine's budding statehood.

Ukraine is a market economy, a state that cares for the social protection of its citizens. Ukraine means privatization. The economic crisis that we are going through has in the recent years enriched us with a considerable, though, unfortunately, mostly negative experience. To a great extent, it has become clearer what should not be done. We have come to realize particularly well that economic isolationism in all its forms and the breaking of economic ties with our age-old partners and neighbors were the main causes of the state's economic decline.

I am convinced that, while preserving its sovereignty and independence, Ukraine must, in its development, maintain good, equal, and friendly relations with all CIS countries, and above all, with Russia. Recognition of our national identity, our historic traditions, and our place

in the world civilization must not lead us toward self-isolation and naive complacency. On the contrary, under certain conditions, it can become a reliable basis and a necessary condition for sovereign Ukraine's friendly relations with all peoples and nations, for our further coexistence and cooperation in an interrelated and interdependent world. Bearing the heavy burden of building Ukraine's statehood, we must at the same time accelerate the reforms in our economy and the transition to market relations, provide genuine safeguards for the proclaimed equality of different forms of ownership, and open the doors for enterprising, industrious, and bold people.

The monopolized economy has lately been hounded into a dead end; we need to find a way out of it as soon as possible. That should be done primarily by improving the health of state policy, increasing labor motivation, and halting the decline in production. Of course, this will take some time, something that we, unfortunately, of which we have almost run out.

I am profoundly convinced that, without implementing a program of wide-ranging support for entrepreneurship, particularly that which is evolving in the sphere of production and innovation, it will simply be impossible for us to carry out in-depth economic reforms in the very near future. Alongside forming various funds and centers to provide this support, including those with the participation of foreign investors, the government must introduce tax concessions for the entrepreneurial structures that are performing their activities in our state's priority spheres, such as agricultural growing and processing, construction and development in the construction industry, and the production of drugs and consumer goods.

A clear system of credit support, concessions in the provision of banking services, and commercial risk insurance should function here. I believe that the entrepreneurs working in industries of primary importance could be given wider opportunities in the use of facilities within the production infrastructure owned by the state. If we fail to do this, the development of economic reforms in Ukraine, as well as our entire economy, will for a long time remain in a state of decline and stagnation.

It is precisely this current situation that is well demonstrated by the results of the national economy's work in the five months of this year. The economy's performance, I would say, has been supernegative. What is more, contrary to (?pseudo-) optimistic statements being made publicly of late, the national economy's decline and crisis are constantly on the increase.

Out of considerations of an ethical and moral nature and for certain personal reasons, contrary to how things are very often done, I would not like to start analyzing the state of the economy by criticizing the previous government and quoting figures in order to confirm the rate of our speedy decline. I hope they are well known to you anyway.

Everyone of us, naturally, cannot help but ask the question: What can explain this agonizing state of our economy, and what are the main reasons for the steady rise in the tendency of decomposition, chaos, and disintegration that has been observed by us in the course of the last few years? I am absolutely certain that if we do not find the real causes of this and do not make the right diagnosis of our economy's prolonged disease, we shall not be able to find effective remedies for it. Nor shall we be able to take the right path to lead us out of the economic crisis in the shortest possible time. Anything other than that today not only has no future, but also poses an extreme threat to the fate of Ukraine.

Let me expound my reasons for saying this: I believe that the main reason is a lack of political will, courage, and a clear plan for reforming the economy, which are required and which for a long time now have not been found in our leadership structures; and the fact that we are constantly throwing ourselves from one economic program to another. For a long time, we trailed behind Gaydar's reforms and copied them, which led eventually to the stalling and blocking of important decisions.

I also believe that the catastrophic state of our economy can be explained not only by various power structures' tactical mistakes, but also, to a considerable extent, by a disregard for strategic macroeconomic thinking that could develop an acceptable model of Ukraine's national economy and determine the optimal means of moving toward curbing the crisis. Even if we were doing something at the microeconomic level, such as handing out credits, granting tax concessions, distributing hard currency, providing subsidies, and so on, almost no work was being done at the macroeconomic level.

I think that the budgetary and financial policy that has been pursued by our state for quite a long time now is not only politically, socially, and organizationally ill-considered, but also is fundamentally flawed and has effectively led to the collapse of the financial system. Although the emergency measures that have been taken lately to check inflationary processes have had some positive results, I still consider them temporary because they are based on erroneous principles and approaches.

Inflation today has simply been driven underground, and that has been done artificially. To a considerable degree, it is hidden, which was achieved by causing what I think is an equally distressing phenomenon: the artifically created absolute insolvency of most of our enterprises and essentially the whole of our population. The payment thrombus that has formed in our economy's financial arteries will ruin it utterly.

Can you tell me, please, who needed the budget without a deficit for 1994, contrived by (?the cabinet) and approved by the previous Supreme Council? Given the present state of our economy, it can be achieved only on paper.

By our ill-considered actions in the sphere of taxation, we have introduced, I will say openly, a wild system for

taxing all subjects of economic management. If 22 percent of income is today being deducted from all enterprises, or more than 55 percent of profits, then there cannot be any talk of entrepreneurship, particularly in the sphere of production. Such an ill-thought-out approach only causes profits to be concealed. It became the reason for the economic suppression of production and almost the complete suspension of Ukraine's investment process.

The government's shortsighted policy with regard to the so-called fixed regulated exchange rate of the dollar and the quite liberal manipulation of the hard currency legislation have led to the collapse of the domestic hard currency market. The concealment of hard-currency earning abroad is taking on an even larger dimension. According to IMF experts, hard currency receipts worth $1.3 billion were not returned to Ukraine in 1993. That is, despite our difficulties in obtaining hard currency, last year we continued to invest our hard currency in production in Russia, European countries and generally anywhere so long as it is not here. Hard currency that remains abroad does not work for the benefit of Ukraine's economy. Life itself forces exporters to do this, for today it is the only way to somehow preserve the production of goods that are exported, because due to the high taxes and wild differences in exchange rates, Ukraine's export potential is being reduced everyday.

According to foreign experts, we lose around $100 million every month for these reasons. I consider that the government and the National Bank were not able to elaborate a clear monetary and credit doctrine, did not create a market of credit resources that was accessible to all, and took to this important affair in an amateurish way regardless of the fact that credits are one of the most powerful sources for the growth in the monetary mass. To a considerable extent, it was precisely because of this that today our karbovanets is no longer able to fulfill its main role as a means of accumulation and of financially guaranteeing investment and foreign economic activity. People do not trust, so to speak, our national currency and in conditions of crippling inflation have stopped saving their money in savings banks. Our money does not work for our economy. But you know that under market relations the most important thing is that money should work.

Esteemed colleagues, analyzing the state of affairs, one cannot help but ask oneself: Where is the way out? What is to be done in the first instance to rectify the situation? What are the main processes in our socioeconomic and spiritual revival? In the economic sphere, we must, first of all, work out a clear program of macroeconomic transformations, define their content, their stages, their speed and order, all of which would accord with a socially oriented model of market relations. Only on this basis will we be able to stop the destructive tendency toward the collapse of the country's productive forces and its intellectual and productive potential, and to minimize the social casualties of our reforms.

While giving the reforms a stronger impetus, the government must ensure state regulation of the economy, especially in strategic industries, which is being done in every market-oriented country. For us, these key sectors are power engineering, the coal, metal, and chemical industries. The state sector in this case would act as one of the players in market relations, while the state on the whole, without losing its administrative function, would have a greater influence on the regulation of economic processes.

But the situation that has emerged in the national economy today requires most radical and urgent measures of direct action, so to speak. First of all, it is necessary to launch as soon as possible the production of domestic goods at full capacity. This must be done using all possible stimulative factors that will encourage the manufacturer to produce the necessary goods that are affordable to most people. The main task today is not to collect enormous taxes and form an unrealistic budget, but to revive the economy as soon as possible by relieving the tax pressure, to allow labor collectives to work normally and allow people to receive what they have earned.

I would like to stress for deputies and for everybody else—an earned salary and not one received through speculation in hard currency. If somebody today still has some hope that this can be done only by artificially speeding up payments between enterprises, by granting them more cheap credits to replenish their circulating resources, then I can assure them that these are illusionary expectations. The process of collapse and chaos has gone so far that a purely monetary approach can no longer change or rectify anything. I consider that we must now act not with traditional methods, but with those which at first glance seem almost paradoxical. It is necessary to change the entire philosophy and methodology of our state's financial and budgetary system. What is meant by this?

First of all, we must reject the pillaging principle of taxation, of collecting as much from taxpayers as possible, and to go over to the principle of leaving them with as much of the earned profit as possible. The policy of liberalizing taxation is fairly simple here: The more we leave for the taxpayer today, in the end, the more the state will receive tomorrow. I consider that the critical level of taxation from each enterprise should be about 15-17 percent of income—but this is an issue for the future. Today, we should attempt to increase the profit part of the budget by increasing the level of production. At the moment, this is the main way of reducing taxation.

Second, while the state should support individual priority sectors of industry, we should nevertheless refuse to give subsidies to the majority of loss-making enterprises and organizations. As of today, they amount to about 25 percent of the total amount. We should finally understand that a philosophy based on supporting the weak, on enterprises that are incapable of working profitably,

leads nowhere. On the contrary, brave, hard-working, and talented workers need every kind of support and encouragement at the state level.

Incidentally, bankruptcy, contrary to the understanding that is widespread in Ukraine, is, first of all, a financial and not a social concept. It does not mean that an enterprise will be liquidated without fail. Not at all. Simply that this factory or plant will experience a change in ownership. A new director will arrive and will make it profitable. In my view, already today some of these enterprises could be sold even to foreign investors, and not necessarily for a high price, but definitely with one firm demand: the new owner should invest as many resources in the production process that are required to ensure that the enterprise makes a profit and provides people with work.

Third, we need to define more clearly the priorities in deciding the most important economic problems. Among them, most attention should be paid to the development of the fuel and energy complex; power engineering, including atomic energy; and overcoming the consequences of the Chernobyl accident. The government is obliged to develop and implement a long-term program of providing Ukraine with resources and critical imports—first of all, oil and gas.

Today this problem, in my view, is usually being decided by the enthusiasm and personal possibilities of individual officials who, during periodic visits to Moscow after being warned in a threatening manner, succeed in asking for another round of credits or extract a postponement in payments and sink deeper into debt. They have already succeeded in selling off our national wealth. I consider that such a short-term policy is not only degrading for our state but is also generally extremely dangerous for our economic and state independence. You will agree that there is no bigger theat to us today than the $6 billion or or so that we owe mainly to Russia.

Esteemed people's deputies, I think you will agree that the former Supreme Council paid considerable attention to the development of the agro-industrial complex and the food processing industry and to solving the problems in these vital sectors. But in my opinion, these issues were separated from each other, there was no comprehensive approach and no strategic course was worked out toward resolving such complex issues as price parity between industrial and agricultural products; the form and size of the state procurement order; payment for farmers' products supplied to the state; as well as the tax, financial, and credit policy in the countryside.

No decision has been made as yet on land privatization. I believe that two approaches are possible. First, and this can be done in the near future, we can allow a 49-year lease of land for the construction of various social facilities. That will also be extended to foreign investors who can build hotels and everything else needed to develop our social sector. The second option is to make land available for lifelong use with the right of inheritance, but only to those who have worked in the countryside for a certain period and who have relevant experience and education to use the land efficiently. In this way, we will prevent speculation and the takeover of land by various rich dealers.

Undoubtedly, our electorate expect that the new Supreme Council will return to these problems in order to prepare concrete laws to boost the formation of a market economy and a viable market environment in the countryside. Flexible legislative work should demonopolize the food processing sector. I believe that it is due to the stalling of this process that food prices today are not free. I am sure that a comprehensive approach to these issues will allow us to create a reliable and efficient market mechanism to reduce food prices. It is extremely urgent today.

Esteemed colleagues, in the several days that our new Supreme Council has been in session, we have said a lot about the social protection of the population and the numerous complex issues that have cropped up and require immediate solutions. This is indeed so. In my opinion, the socioeconomic situation remains the most acute problem on which the government must focus its attention. The main task is to stop further decline in the people's living standards by means of resolute measures in pricing policy, and to search for opportunities for selective reduction of wholesale and retail prices for vital consumer products. I believe that the entire government policy must be based on the principle that rich citizens make a rich country.

While I stand firmly in favor of deep economic transformations in our society, I nevertheless emphatically disagree with those politicians who believe that before starting on a civilized road of development, we must wade through a swamp of economic and political degradation and drastic impoverishment of a considerable group of people who are denied reliable social protection, while an isolated group of slick dealers accumulate unseen wealth. I believe you will agree that we did not have to make people extremely poor and promise them that maybe some day they will become rich. It is time to realize that millions of poverty-stricken and faithless people will not create a rich and powerful state.

We all saw that for ourselves during numerous meetings with voters. We all remember how difficult it was to face reproachful questions from pensioners whose pension is not adequate to make ends meet. I do not know about you, but I was rather ashamed to face people who are living on pitiful minimum wages, especially educators, doctors, veterans of labor, members of large families, invalids, and other low-income groups of the population. Undoubtedly, all these issues require urgent discussion in parliament and practical actions on the part of the government to resolve them as soon as possible.

But to be frank, as a human being, I was most amazed by the horrible state of our humanitarian sector, first of all,

science, health care, and education, especially in rural areas and areas affected by the Chernobyl disaster. We must do our best to improve the environmental situation in the state. I think, with all our differences and economic troubles, we will have no excuse if we do not break the standstill in these areas by means of relevant legislative acts. We are obliged to regain lost prestige in these sectors as soon as possible and give the people hope for an improvement in the situation, because the health of our people, their future intellectual potential, and our priceless possession, the nation's gene pool, in every sense depends on our ability to resolve these problems.

I am convinced that the country's government must pay more attention to the implementation of the program for the conversion of the military-industrial complex, problems existing in our army, its financial provision, and social protection of the military. You will agree that the Army's efficiency, reputation, and the respect it commands in society depend to a great extent on the way we manage to remove the existing difficulties and the way we care for our servicemen. I hope that all of us, irrespective to which political party we belong, will act in a like-minded fashion on these issues and will make mutual concessions to resolve them as soon as possible.

Another problem of overall state importance which has come to the fore and requires the Supreme Council's urgent intervention is the fight against crime, especially organized crime, bribery, corruption, and widespread economic criminal activity. It is becoming increasingly obvious that the criminal web is spreading a thick layer over our entire young, fledgling state. What are the proposed priority measures to be taken by the government and the Supreme Council? First of all, I believe that we need to strive for unity and consistency in the actions of law enforcement bodies and improve our penal legislation, which is clearly lagging behind in the crime marathon; and this is not least through the fault of the top legislative body, which was very slow in passing all the additions and amendments to the laws proposed in recent years.

Finally, I believe we need to considerably reduce budget expenditures for the state apparatus; revise the size of staff in our ministries, departments and state committees; and adjust their functions to keep up with market conditions and the demands of the present time. We must be bolder in the transition from the sectoral to the functional management principle; quicker in renouncing interference in every detail of the work of enterprises, in renouncing sheer administrative control, authoritarianism, and pressure on production units. The structure and mechanism of executive power must fully accord with the deep transformations taking place in the economy, the society, and the state.

On the basis of the results of local elections which are soon to be held, we must work out and pass legislation on the concept of regional economic management and build a flexible and strong vertical structure of executive power. We must consider and introduce strict accountability of all these structures, from the Cabinet of Ministers to the village council. I also believe it very important that the key posts in state administration should be held by highly professional, competent people, with sufficient hands-on experience in management at the relevant level, trained for state leadership, who will take resolute and principled actions on the basis of their rights and the laws, will not be afraid to take bold decisions, and will be ready to bear responsibility for the results of their activities. If I am elected to the post of prime minister, I will be prepared to assist the appointment to government and other leadership positions of young and talented specialists, reformers in spirit, with sufficient hands-on experience in the sphere of management, and train them to be top-level leaders, irrespective of their political views.

Esteemed people's deputies, our internal economic policy is tied closely with our state's external economic and diplomatic activities and the fulfilment of its obligations to the world business community. I believe that the future government must continue active and balanced cooperation with international financial organizations. Ukraine's membership in the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development will help create favorable conditions for the implementation of our internal economic policy and our plans to reform the economy. Apart from this, active membership in these reputable institutions entitles us to participate in decision-making with regard to international financial policies and opens access to economic information.

I would also like to support the main principles and guidelines for the development of Ukraine's economy in the period of crisis set out by Oleksandr Oleksandrovych Moroz. In conclusion, I would like to stress once again that I have outlined here the main essential, conceptual points of the economic program that I will pursue, defend, and implement if I am elected prime minister. I would like to particularly stress that it can only be fulfilled by joint efforts of both branches of power, with your understanding, and with the Supreme Council's support of our state's new government, which in its work will be guided by the Cabinet of Ministers law, which is among the first that needs to be discussed and passed.

Thank you for your attention.

Elected by Secret Ballot

LD1606083194 Moscow ITAR-TASS in English 0806 GMT 16 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 16 June TASS—Secret voting is to be held in the Ukrainian parliament on Thursday [16 June] on the

endorsement of Vitaliy Masol's appointment as Ukrainian prime minister. The parliament adopted this decision on Wednesday after a programme statement by the candidate to the post of prime minister.

Masol, specifically, said he believes "Ukraine must continue developing as an independent democratic rule-of-law state. The strengthening of its sovereignity and preservation of territorial integrity should be common concern". Masol believes "Ukraine needs equal and friendly relations with countries of the CIS and above all with Russia in order to preserve its own independence".

Masol holds that to overcome the crisis it is necessary to step up the pace of economic reform, transfer to market relations and ensure equality of all forms of property. The government should ease taxation on entrepreneurial structures engaged in production and processing of farm produce, in the construction industry and in communal services.

Masol believes that support by credits, banking services on easy terms and ensurance against commercial risks should be offered to these areas. He said that the main purpose now is not to levy exorbitant taxes and drawing up an unrealistic basis but to ease taxation and envigorate the economy, enabling work collectives to work calmly and people to receive their earnings. Masol believes taxes should not exceed 17 percent of profits.

He said there are two approaches to land privatisation. Land can be rented for the construction of various social facilities for 49 years, also to foreign investors, or else land can be offered for long-term use with the right of inheritance.

Masol expressed the conviction that it takes the effort of all branches of power to solve all problems.

Kravchuk Reports Plan To Visit Crimea

LD1506124594 Moscow INTERFAX in English 1044 GMT 15 Jun 94

[Text] Ukrainian President Leonid Kravchuk intends to visit Crimea and, in particular, those regions of the peninsula which have suffered from the drought.

At a press conference held on his return from Luxembourg on Tuesday, Kravchuk reported that during this trip he intends to determine the scale of the aid which Kiev would render to Crimea.

Speaking about the present conflict between Kiev and Simferopol, Kravchuk said that Crimea would be gradually introduced into Ukraine's "constitutional regime" by means of reasonable compromises but not by force.

Kravchuk said there would be no coercive measures with respect to Crimea in the future and stressed that "Ukraine will never overstep this threshold and will not allow anybody to do this."

Kravchuk underlined that in accordance with the treaty on partnership and cooperation between Ukraine and European Union signed by him on Tuesday in Luxembourg, the European Union expresses its support to Ukraine's territorial integrity and sovereignty.

"Europe recognizes that this is a factor of European stability," Kravchuk said.

Crimea Forms New Delegation for Talks With Ukraine

LD1406153394 Moscow Mayak Radio Network in Russian 1346 GMT 14 Jun 94

[Text] Reporting from Simferopol in the Crimea, correspondent Vladimir Plotnikov said the Crimean Supreme Soviet today formed a new delegation for talks with Ukraine. The talks are to concentrate on "reaching cohesion between the legislations of the Crimea and Ukraine."

After the first round of these negotiations the Crimean Supreme Soviet severely criticized its own delegation for making too many unilateral concessions. "They demanded that the composition of the working group should be reviewed, and so today the new composition was approved. The criterion for inclusion was Crimean patriotism. Only those deputies who had voted for the restoration of the Crimean Constitution of 6 May 1992 were included in the group."

The working group has been instructed to be guided by the 1992 Constitution, and to "proceed from the idea that in the process of delimitation of rights and duties between Ukraine and the autonomous republic, the Crimea is of it own accord delegating some powers to Ukraine." These are very tough instructions, Plotnikov said, especially since Ukraine insists on the revocation of the 1992 Crimean Constitution.

Working Group Insists on Further Talks

AU1506153594 Kiev HOLOS UKRAYINY in Ukrainian 14 Jun 94 p 1

[Unattributed report: "The Draft Agreement Is Ready"]

[Text] On Friday night [10 June], a delegation of the Crimean parliament handed a draft agreement between Ukraine and the Crimea to the Ukrainian side. The negotiations between representatives of the sides within the framework of the interparliamentary Ukrainian-Crimean working group were completed in Simferopol.

As the agency INTERFAX-UKRAYINA was informed by the head of the Crimean delegation and representative of the parliamentary Commission for Legislation and Law Enforcement, Sergey Nikulin, the draft consists of three parts: Powers that the Crimea hands over to Ukraine; powers that Ukraine may hand over to the Crimea; and joint powers. However, he did not specify the content of those parts.

According to S. Nikulin, during the scheduled round of talks "the sides did not even try to discuss those articles of the Crimean Constitution that did not suit Ukraine." The Crimean delegation, he said, stated directly and unambiguously: There will be no revision of the Crimean Constitution.

The working group believes that just the first stage has been completed and insists that work be continued.

Navy Accuses Black Sea Fleet Command of Removing Property

LD1506181594 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] Commander of the Ukrainian Navy Volodymyr Bezkorovaynyy accused the Black Sea Fleet commanders of removing property from the garrisons, which are to belong to Ukraine. He told INTERFAX-Ukraine on Wednesday [15 June] that the Black Sea Fleet commanders hoped to make the property of the Black Sea Fleet Russia's property.

"The removal of the property will inflict direct damage on the economic interests of Ukraine," said Bezkorovaynyy.

In his opinion, this question must be discussed during the next round of the Ukrainian-Russian talks on the division of the Black Sea Fleet.

He also announced that the headquarters of the Ukrainian Navy were considering the parameters of the Russian fleet's temporary stay in Sevastopol.

He said that the discussion of the division of the logistics property continued.

Kuchma Outlines Presidential Election Program

LD1506212894 Moscow ITAR-TASS in English 1916 GMT 15 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 15 June TASS—A strong and authoritative power capable of making decisions and answering for their consequences is necessary for Ukraine to get out of crisis. "Nobody in the world has ever survived a crisis without a strong authority," said Leonid Kuchma, Ukrainian presidential candidate, in a national radio broadcast on Wednesday.

If I am elected Ukrainian president, I will be ready to assume full responsibility for the state of things in the country, Kuchma emphasized.

"Ukraine needs to take a new political course which should be aimed at rejecting self-isolation, at restoring all mutually beneficial economic, spiritual and cultural ties with the former Soviet republics, and first of all with Russia," he said.

"Ukraine should be open to cooperation with the rest of the world, and only then state-of-the-art Western technologies will come here—and application of these technologies holds the country's future," he added.

Kuchma, who is now a leader of the Ukrainian Union of Industrialists and Entrepreneurs, promised that his first move in the position of Ukrainian president would be "to form a united economic area with all the CIS countries."

At that rate, he will also "strive for Ukraine's full membership in the economic union," declare for reaching an agreement on hard currency and customs regulations based on equal rights among the CIS countries and for an urgent elimination of fixed karbovanets-US dollar exchange rate.

According to Kuchma, he will "strive for granting Russian an official status, while Ukrainian will retain its state-language status."

"I have never and nowhere risen the issue of restoring the Soviet Union. But I will do my utmost to develop good neighbourly relations with all those countries with which we have traditional historic, economic and cultural ties. I have always opposed building an independent state based on anti-Russian sentiments," he said.

In his opinion, land should not be sold or purchased, whereas public medical and education services should be free of charge.

"I would like to realize the plans which they stopped me from realizing in 1993," he concluded.

Presidential Candidate Views State Building Issues

WS1606064494 Kiev KYYIVSKA PRAVDA in Ukrainian 10 Jun 94 pp 1,2

[Interview with presidential candidate Petro Talanchuk, Ukraine's education minister, by A. Polishchuk: "The Ukrainian People Must Wake Up"]

[Excerpt] Petro Talanchuk is a man well known in Ukraine as the rector of the Kiev Engineering College, deputy of the former Soviet Supreme Council, and current minister of education. He won public recognition and popularity during the late 1980's perestroyka. Elected to the USSR Supreme Soviet, Talanchuk assumed a clear democratic standpoint and supported sovereignty and independence of our then Soviet Republic. Soon afterward, he actively espoused revival of the Ukrainian national democratic movement. Having become the minister of education, he has proved to be an energetic leader with a comprehensive program for reforming the educational system. He is 56 years old; an engineer, doctor of technical sciences and professor, and the president of the Academy of Engineering Sciences of Ukraine. He has three children and four grandchildren. Professor Talanchuk is a well-educated man

with broad views and willpower. He has his own way of seeing our country's way out of the current crisis. His earnest smile and peasant-like sturdy figure call forth sympathy. Such people are described "as strong as a wall." Would Ukraine survive if it leaned on him? Consider this for yourself.

[Polishchuk] By European and world standards, Ukraine is a large state. It is a prestigious and responsible matter to be its president. We are going to the polls, but we do not yet know who will be leading the state—the president, the parliament, or the government. Their powers are not constitutionally defined. Petro Mykhaylovych, what do you think is the optimum way to resolve this problem?

[Talanchuk] Today, the most precious thing for us is time, and we must not waste it. Elections must be held, and the man who is elected will actually encounter misunderstandings. I would like to believe that, no matter who becomes the president, he will manage to come to terms with the Supreme Council, and to constructively resolve these problems, to resolve them quickly, because we no longer stand in one place—we have started to fall down. Just as we need air, we need to step up reforms. I believe that we can do it best with a presidential form of administration.

[Polishchuk] You are talking about stepping up reforms. As a matter of fact, all we have is an economic decline, as in a tunnel, in which one can see no light. Why in Poland or the Baltics the reforms are moving forward, but we seem to be hampered? Is this our Ukrainian peculiarity—"the inability to build a state"?

[Talanchuk] This is a difficult question. As you know, Dovzhenko [famous Ukrainian film director and writer] said: "Regarding great causes, we are nasty people." As I understand it, he had in mind our national consciousness. This is quite objective. Why is that so?

Each society develops successfully if it has even a narrow layer of innovative people. These are people who think unconventionally, unusual personalities. They can be found in the rural areas, among the workers, engineers, and the intelligentsia.

Let us recall our history. The majority of talented people were persecuted and exterminated. What impact did the 1933 famine and the 1941-45 war have on the Ukrainian people? I read in LITERATURNA UKRAYINA about writers who were tortured to death and I think: "Good Lord, how many!" Our national elite was systematically exterminated.

While I was arguing with Americans over our difficulties, and I saw them swagger around, I told them: "I would like to see how your country would have looked if someone had done to you what was done to us." This argument baffled them.

Nevertheless, the Ukrainian people must wake up. We have wise people, and together, we are able to develop any socioeconomic model. If we agree, we will only have to act, implement, and not panic. This is a paradox: God gave us good crops last year, we harvested them, and now... we are talking about famine. Can anybody think of anything more horrible?

[Polishchuk] Petro Mykhaylovych, how do you see the mechanism for market reforms in line with the social, though illusive, guarantees, to which we were accustomed to under the Soviet authorities?

[Talanchuk] Currently, although it is impossible to draw a complete picture of our future state, I can see its outlines. There will be a mix of both planned and market economies, because if someone claims that he will jump into the market economy tomorrow, I do not believe him. This is unrealistic. The level of our people's culture is very low, including legal and production culture. It should be improved by command-administrative methods as well. People have to be nudged into doing good, because they do not know what that means.

The Supreme Council and the president should coordinate their actions, assuming that everything that is good for the people must be developed and supported. When we finally create decent conditions for work, an able-bodied society will be able to protect itself, its children, students, and our pensioners, who gave us wealth—a potential to which we hold on.

I do not rule out state support for certain categories of people. But it is nonsense to speak about welfare for all. We have already bombarded the people with delusive promises such that they are already choking. It is time to abandon social demagogy.

[Polishchuk] There are currently many discussions about Ukraine's territorial-administrative system. What is your standpoint?

[Talanchuk] Based on our historic experience, I support a unitarian state, until we become accustomed to each other. We should introduce a Day of National Accord, in order to abandon the division into followers of Melnyk or Bandera [nationalist leaders during WWII], or communists, to raise common monuments, and to constructively look to the future. It is inadmissible to divide the country. Let us remember: History has given Ukraine a last chance to establish a state. [passage omitted]

Water Leaking From Chernobyl Processed Fuel Storage Unit

LD1506161894 Moscow INTERFAX in English 1348 GMT 15 Jun 94

[Text] Two cubic meters of water continue to leak every hour from a storage facility in the second power unit of the Chernobyl station, its chief engineer Viktor Vasilchenko told INTERFAX-Ukraine.

The leakage from the storage of processed nuclear fuel was detected on 11 June.

Vasilchenko said the leakage resulted from the way storage facilities of this kind had been installed.

Vasilchenko also said that the heating elements would be removed from the storage before Friday and the source of leakage would be found soon after. He thought that even if the storage facility was destroyed, nothing serious would happen.

Alexander Yelchishchev, chief of a shift in the station, had told INTERFAX-Ukraine that radiation in neighboring premises was normal.

Official: Situation 'Normal' Despite Leak

AU1506145394 Kiev URYADOVYY KURYER in Ukrainian 14 Jun 94 p 1

[Report by UKRINFORM correspondents Viktor Demydenko and Mykhaylo Melnyk in Kiev on 10 June: "The Radiation Situation Is Normal"]

[Text] An insignificant increase in the technological leak of contaminated water from the reservoir where used-fuel cassettes are stored was recorded at the Chernobyl Atomic Electric Power Plant [AES]. This was stated by Serhiy Nazarenko, chief of the emergency and control administration of Ukraine's State Committee for Atomic Energy. According to him, the controlled system of drainage of technological waters, preventing their escape into the environment, guarantees the reliable accumulation of contaminated waters and their processing. At present, the radiation situation at the Chernobyl AES is normal, he assured.

Radioactivity 'Due to Presence of Cesium'

AU1606104094 Kiev HOLOS UKRAYINY in Ukrainian 16 Jun 94 p 4

[Two unattributed reports: "A Leak Has Been Revealed at the Chernobyl Atomic Electric Power Plant"]

[Text] On 7 June, a water leak from the second power unit's decay tank, where cassettes with used-up fuel are stored, was revealed at the Chernobyl Atomic Electric Power Plant [AES]. Head of the Chernobyl AES shift Oleksandr Yelchyshchev informed the INTERFAX-UKRAINE Agency that the leak amounts to two cubic meters per hour. He pointed out that this has not led to a change in the radiation situation in adjacent buildings.

According to him, the water leak does not constitute any special danger. O. Yelchyshchev also stressed that such incidents are "a disease of all atomic plants of this type."

* * *

As reported yesterday [14 June] by Ukraine's State Committee for Atomic Supervision, at the second power unit of the Chernobyl AES, beside the main system for adding water to the decay tank, where there were 480 cassettes, three additional ones have been prepared. Collection and purification of water that percolates through walls and ceilings of several chambers adjacent to the decay tank have been organized. The radioactivity of this water is about 1.0 microcurie per liter. It is mainly due to the presence of cesium.

A program has been elaborated for locating the leak, and work is based upon that program. In particular, 420 nuclear cassettes have been taken out of the tank.

Officers' Union May Insist on Ukraine Staying Nuclear

LD1506204494 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] Ukrainian MP's who are members of the country's Officers' Union will insist that Ukraine stay nuclear if the Crimean parliament does not align the Crimean legislation with the Ukrainian laws. Vyacheslav Belous, the union chairman, made this statement in Kiev Wednesday.

Kiev wants Crimea to rescind the original wording of its 6 May 1992 Constitution that calls for a treaty-based relationships between Crimea and Ukraine and enables the Crimean residents to have dual citizenship.

Belous said that his organization would support Leonid Kravchuk in the 26 June elections.

The Officers' Union, he said, opposes the attempts that anti-state forces inside and outside the Supreme Soviet mount to eliminate or disable the presidency in Ukraine. It regards the president as the guarantor of the country's unity and independence.

The Ukrainian Officers' Union has a membership of about 10,000.

Morozov: Warheads Transfer Must Be Halted

AU1506123694 Kiev UKRAYINSKA HAZETA in Ukrainian No. 12 (54) 9-22 Jun 94 p 8

[Article by Colonel General Kostyantyn Morozov, UKRAYINSKA HAZETA military columnist: "We Had and Still Have Security Guarantees in Our Hands. The Crimean Tension in Relations With Russia Is a Consequence of Ukraine's Nonnuclear and Nonaligned Status"]

[Text] From the first days of its existence as a state, Ukraine has been resolving the so-called Crimean problem on a daily basis. Even before the world felt this, it was already known in Ukraine that the Crimean issue would perhaps be a decisive one in the political relations between Ukraine and Russia. Due to the irresponsible steps taken by the Simferopol leadership, which adopted the course toward secession from Ukraine and rapprochement with Russia, especially at the beginning of May [1994], the world finally perceived a threat to peace in Ukraine, and in Europe, in these relations. Ukraine must now determine its attitude toward these issues. The history of the problem took shape right before our own

eyes, and everybody remembers it. No matter how bitter one might feel about it, our Ukrainian mistakes and indecisiveness are largely responsible for the intensification of Russia's influence over the Black Sea Fleet and, through it, in Sevastopol and the entire peninsula.

In January 1992, the fleet commander [Admiral Kasatonov], who clearly occupied anti-Ukrainian positions, was not removed from his post. His presence in Sevastopol made it impossible for officers of the fleet to adopt a stand with regard to loyalty to Ukraine. Still, by the end of March 1992, the majority of the officer corps anticipated Ukraine's governmental decisions regarding the subordination to Ukraine's Defense Ministry.

Both the Ukrainian president and the government realized that special conditions for shaping public opinion in Sevastopol (the majority of its residents are former sailors and their families that arrived there from other Russian fleets; a great number of enterprises there depend upon the fleet; there are social problems for families of veterans and servicemen) also required special approaches, in contrast to the situation with the subordination of three military districts in Ukraine.

In April 1992, there was yet another attempt to subordinate the fleet to Ukraine. However, again, due to its indecisiveness, the government did not go beyond the creation of a parallel structure (the headquarters of the Naval Forces). Unfortunately, the headquarters was immediately discredited and its influence upon Black Sea Fleet officers who were supporters of Ukraine was insignificant.

Fearing complications, Kuchma's government even cancelled the decisions—first steps of Ukraine's Ministry of Defense—in the organization of the Black Sea Fleet financing through our Naval Forces. However, even then everybody understood that, soon, there would be even more problems. That was exactly what happened.

The unsuccessful provocative officers assembly held in Moscow at the beginning of 1992 demonstrated that, in Ukraine, the majority of officers had made up their minds. That is why efforts were concentrated mainly on the fleet.

As far back as in May 1992, active work, with the help of certain Russian forces, began in the fleet. The work was aimed at strengthening anti-Ukrainian sentiment among officers. The first step involved a considerable increase in personnel salaries. The activity of the officers' assembly resumed and an assembly coordination council was created. Active politicization of the officers' corps began. The intensification of Russia's influence on the Black Sea Fleet proceeded "on a legal basis" after signing the Yalta accord (August 1992). Since that time, the fleet, subordinated to the two presidents, has been taken away from the control of Ukraine's Ministry of Defense, and the fleet activity of Russia's Ministry of Defense and the main staff of Russia's Naval Fleet was practically legalized.

Russia, implementing its financial expansion in the Crimea, artificially created for itself a priority in providing for the fleet.

At the same time, assistance to Sevastopol civilians (the majority of them are former servicemen) in the creation of public organizations and political parties of anti-Ukrainian orientation intensified.

A combination of intentions on the part of those parties and politicized officers over 1992-93 led to an intensification of anti-Ukrainian sentiment in Sevastopol and on the peninsula.

This situation was repeatedly discussed by a corresponding Supreme Council Commission, by the Defense Ministry's board, and by Ukraine's Security Council. Unfortunately, the commission was incapable of giving a proper evaluation of the events, the Defense Ministry's decisions did not find the government's support, and the Security Council took into account the position of the Crimean leadership. Both Bagrov, then chairman of the Crimean Supreme Council, and Yermakov, then presidential representative in Sevastopol, did everything to hamper any of our initiatives and intimidated the government and President Leonid Kravchuk by claiming that "it would lead to an explosion in the Crimea."

That was precisely the reason for the July 1993 decision to suspend the formation in Sevastopol of the Ukrainian Armed Forces Marines subdivisions.

Today, all of this is attributed to the president's indecisiveness. I find it necessary to throw light on the situation and include everybody. In the majority of cases, the president remained unassisted in looking for decisions that would not lead to an armed conflict.

Such a situation prevailed until the meeting in Massandra: The Supreme Council did not adopt decisions, and the government (of both Fokin and Kuchma) dealt with no military problems whatsoever. In the two years that I held the ministerial post, the military issue was discussed only once (in November 1991, the legislative bill "On Ukraine's Armed Forces").

Under those conditions, Russia's influence on the Crimean problem intensified to the extent that virtually unprecedented territorial claimed were made upon Ukraine (the Russian Supreme Council decree of 9 July 1993 on the status of the Ukrainian city of Sevastopol) and pressure was put on it at the negotiations (Massandra, 3 September 1993).

We heard a lot about Ukraine's position with regard to the presidential elections in the Crimea, but no significant decisions have been adopted by Ukraine's Supreme Council nor actions by the government. Crimean separatists took advantage of the crisis situation in the country and, instead of looking for ways to overcome it, started manipulating it. The political forces and now also the leadership, artificially creating an impression that

the Crimean population has the worst standard of living and deceiving the people, are, in fact, satisfying their own ambitions.

More than once I heard about an ethnic source of Ukrainian tension. Few people even in Ukraine speak of the political aspect of the tension or its artificial nature. In this context, the assessment of the situation by chairman of Ukraine's Security Service Yevhen Marchuk (KIYEVSKIYE VEDOMOSTI of 26 May 1994) seems to be not only authentic and patriotic, but also timely: "...the whipping up of panic among the population, the intimidation of the Crimean leadership, the shaping of an enemy image (naturally personified by Kiev), the selfless assistance by experts, the commissioning of groups for propaganda support, and many other things...." I agree with Yevhen Marchuk's conclusion to the effect that all of this will have a counter effect, against the Russian plans to split Ukraine, and that this force "...will become a consolidating one for Ukraine."

All of this has been said about our Ukraine—our own fathers' home. External forces are shaking it loose, and we must rescue it and not moan that life is bad under these conditions.

Ukraine is an active participant in the European and world political process, which is establishing peace and harmony among countries. Many, if not all acts in this process tend to unite us with Russia. However, today, neither Ukraine's membership in the CIS nor bilateral interstate agreements guarantee security for Ukraine.

The fact that the program "Partnership for Peace" does not unite us with Russia is a serious warning. Russia is seeking a priority status in its relations with NATO. The formula "16 Plus One" suits Russia better. It is clear to everybody that this bargaining is not to Ukraine's advantage. Perhaps we are expecting guarantees for our security in vain, or maybe those guarantees are still in our hands?

Why don't we also do some bargaining, now that Russia does not restrict itself by obligations to politically guarantee Ukraine's security? If, after the withdrawal of nuclear weapons, Ukraine becomes an arena for armed conflicts, maybe it is now time to halt the transfer of warheads and adopt a state program for political and technical measures to maintain them on our own?

At any rate, this will strengthen the Ukrainian position at the negotiations.

It is becoming obvious already that Ukraine's nonaligned status does not guarantee its security or noninterference into its affairs by other states. We see how Russia is increasingly exacerbating the Crimean problem in Ukraine.

Perhaps we should revise our striving for nonalignment and neutrality? Maybe a declaration of our intentions to gain membership of NATO would better guarantee Ukraine's security at least in the future? At any rate, it might strengthen our position at the negotiations. The United States must be invited as an intermediary and an authoritative monitor of the fulfillment of the accords.

In April 1994, the Ukrainian Academy of Original Ideas supported my initiative on the creation of an independent Center for Strategic Studies of Military and Political Problems in the National and Regional Security. On 28 May, the Ukrainian World Coordination Council, at its meeting, approved the idea and the draft concept of the center and thereby okayed the creation of a special nongovernmental fund.

I believe that the issues raised by me urgently require an independent investigation. The conclusions of such a investigation, in the case of the creation of the center at an advisory level, might be used by state structures for promoting Ukraine's interests.

The Russian Federation is our geopolitical neighbor, an ethnic homeland to large numbers of our citizens, and our potential genuine friend and brother. It is our strong desire that it be realized by it that not only Ukraine, but also Russia are "doomed" to maintain and strengthen this friendship by all possible means. Once again referring to the chairman of Ukraine's Security Service, I want to support his important conclusion: "There will be no split of Ukraine. We are not the Caucasus or Yugoslavia."

Officers Union Attacks Kravchuk, Radetskyy

PM1506153194 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 94 p 1

[Report by Grigoriy Nesmyanovich: "Ukrainian Officers Union Has Admitted There Will Be Spectacles in Addition to Exercises in the Army"]

[Text] Kiev—The Sixth Congress of the Ukrainian Officers Union has been held here.

An appeal to the Ukrainian Supreme Council was prepared at the congress calling for preservation of Ukraine's nuclear status. A number of complaints at the congress were directed at the Ukrainian president and especially at the defense minister. Army General Vitaliy Radetskyy was reproached for the decline of combat readiness and discipline, the increase in the number of military crimes, and for the unprecedented increase in the number of generals and "showcase" exercises, all of which had no parallels in the Soviet period.

Ministry To Scrap Missile Carrier 'Varyah'

AU1506164694 Kiev HOLOS UKRAYINY in Ukrainian 14 Jun 94 p 4

[Unattributed report: "The Missile Carrier Varyah Will Be Scrapped"]

[Text] The missile carrier Varyah will be scrapped. This decision was adopted on 2 June by the board of

Ukraine's Ministry of Machine Building, Military-Industrial Complex and Conversion. Ukrainian Vice Prime Minister Valeriy Shmarov, in an interview for journalists on 9 June called the decision "forced and tragic." In the past, Ukraine offered Russia to purchase the still unfinished cruiser that stands near the moorings of the Black Sea Ship Building Plant in Nikolayev, but there was no response.

Babych Opposes Building of Odessa Oil Terminal

AU1506193594 Kiev MOLOD UKRAYINY in Ukrainian 14 Jun 94 p 1

[Unattributed report published under the rubric "Fact"]

[Text] In the opinion of Ukrainian presidential candidate Valeriy Babych, it is inexpedient to build the oil terminal in Odessa, as, having spent billions of dollars, Ukraine may find itself totally dependent upon oil-producing countries. He believes that it would be more expedient to lease from Russia or to redeem some of the oil field in the Tyumen Region, where Ukraine took part in oil exploration.

Symonenko Vows To Halt Privatization

944K1449A Donetsk AKTSENT in Russian 14 Jun 94 p 1

[Article by L. Kozin: "Petr Symonenko: 'Privatization Will Be Halted'"]

[Text] A meeting of journalists was held in Donetsk Saturday with V. Chuprun, a candidate for the post of head of the oblast soviet and the present chairman of the oblast soviet of people's deputies. Seats next to him in the presidium were occupied by P. Symonenko, first secretary of the Central Committee of the Communist Party of Ukraine [CPU]; A. Kiyashko, acting chairman of the political council of the Socialist Party [SPU]; and A. Gurbych, chief of the Donetsk Oblast press administration.

"The soviet must have executive authority."

"The reason for soviet authority is to reflect the interests of the people."

"The main figure is the working person, and not the speculator."

"We have had enough destruction."

"If a professor becomes a janitor or departs, this is a failure of the state."

"Land must not be turned into a commodity. Land must be state property."

"Physicians now receive a wage at a level that is lower than required for biological survival..."

That which we had occasion to hear at the meeting was rather predictable. The press of the whole world knows that staunch communists are enemies of healthy (and unhealthy, in their understanding) sensations; therefore, the measures that they organize always proceed smoothly and sensibly. There was no personal criticism of the contenders in the preelection campaign. There was a criticism of ideas that were alien to communists, there was criticism of the policy of the top leadership, and there was talk that someone, somewhere, was "passing" something to someone and interfering with normal living.

A substantial part of the questions was addressed to Petr Symonenko, CPU leader. Speaking about the results of the elections to the Supreme Council, he noted that there were numerically enough left-wing forces in parliament to block any antipopular law or decision. It is impossible now to disregard a party for whose representatives more than 10 million persons voted. However, it is impossible to claim that a victory was won and that authority was gained. As an example, P. Symonenko cited these figures: "Thirteen out of the 23 permanent commissions of the Supreme Council are headed by representatives of right-wing forces." The first secretary of the CPU Central Committee shared the anxiety of a number of journalists about the increase in the threat coming from extremists of ultranationalist organizations, he talked about this with the current president, and he reported to those assembled that this question will be raised sharply in the future. The journalists received information that the coal industry is now at the level of 1954, and that 56 percent of the GNP is the production of the agro-industrial complex...

P. Symonenko was asked: In the event that the CPU is successful in the elections to the local councils, do you plan to undertake efforts to change the pace and character of privatization? This was the answer: Privatization has an antipopular character. An analysis of it will be made. Privatization will be halted.

The journalists also heard from the conference participants that it was difficult for the Communists and their left-wing comrades to get through with a word of truth on the republic's television screens. The parliamentary newspaper GOLOS UKRAINY deals with the life of the regions in a way that is unbalanced and not objective. But the situation will be corrected, inasmuch as the Supreme Council commission on the legislative guarantee of freedom of speech and the mass media is now headed by V. Ponedylko, a decent person and a member of the CPU from Zaporozhye.

The two-hour meeting ended in a didactic way. The presidium called on "comrade journalists" to summon the citizens of the oblast to come to the ballot boxes on 28 June, for the local elections have far more than just local significance.

Besides the great and selfless love of the people, perhaps it is only this summons that is common in the positions of all participants in the election skirmish, from both the right and the left. However, this division in Ukraine is

very conditional and is different from the main civilized world. In fact, none of those who are "from the right" are above us. There are right-leftists, left-leftists, and extreme leftists, and those for whom statehood is above all things. However, it seems that this has no bearing on the subject of the meeting that was held, and since this is the case, let us all vote!

Minister Justifies Hard Currency Decree

944K1460A Simferopol KRYMSKAYA PRAVDA in Russian 14 Jun 94 p 2

[Article by L.M. Zaytseva, Crimean finance minister: "On Currency Regulation in Crimea"]

[Text] The Crimean president's edict, "On Currency Regulation and Currency Control," which actually does contradict Ukrainian legislation in terms of a number of positions, evoked an ambiguous reaction from official Kiev. In this connection many of our readers are interested in why the Crimean president was forced almost to enter into a certain confrontation with the leadership of Ukraine over this issue.

The factors that brought about the appearance of this presidential edict are explained by Crimean Finance Minister L.M. Zaytseva.

The fact is, says Lyudmila Mikhaylovna, that as a result of the establishment by the Ukrainian Government of a fixed rate for the karbovanets many enterprises of Crimea that have foreign partners, including Russians, were placed on the brink of financial disaster. For example, a critical situation developed with airline tickets in the Simferopol airport, where mostly Russian air carriers are based.

They were prohibited from selling airline tickets for Russian rubles and the sales were transacted for karbovantsy at the reduced exchange rate of the Ukrainian Ministry of Security. At the same time it was impossible to buy rubles at the low exchange rate and return them to their legitimate owners. But the aircraft still continued to fly, taking a loss. Even though in December the Crimean Council of Ministers adopted a resolution concerning the sale of airline tickets for Russian rubles, the situation has not improved, because Russian rubles were still subject to mandatory sale at the same reduced exchange rate.

In general, the exchange rate fixed below market turned out to be an extremely favorable environment for destroying domestic producers who were still capable of competing on the world market. At the dawn of Ukrainian independence there was not a single politician who did not emphasize that Ukrainian industry exports products to more than 100 countries of the world; now, to be sure, they try not to recall the times of the past Union, when this really was the case. Exports from Russian industry have fallen severalfold as well.

Crimea has ended up in an especially difficult situation. As a result of certain events it has lost the Russian market and has gained nothing except the karbovanets. In Ukraine only a small part of the commodity output finds its way to the world market, and the exchange rate of the karbovanets has been scandalously reduced. In addition to all that, they immediately permitted foreign economic activity without creating favorable conditions on the world market through intergovernmental agreements. And when domestic money began to rapidly lose its value, there appeared the idea of introducing a compulsory exchange rate below market for the dollar, but this was a struggle with an effect rather than a cause.

As a result the enterprises, in order not to be ruined, were forced to conceal foreign currency, and the already poor budget became even slimmer. Yet the exchange rates of the world currencies are changing every day. This means that our economy is being artificially slowed down, while on the market it is necessary to seize the moment.

But any currency is a commodity, and it is necessary to handle the commodity in one's own way and carefully, and the edict of the president of Crimea lays the foundation for this civilized attitude toward the Republic's main commodity. In the first place, currency revenues should be transferred to one's own republic and not left in foreign banks where they will circulate in the interests of anybody except Crimea and, in the second place, the earnings will be sold not at a fixed rate, but on the interbank currency exchange formed by the government. Even now there are branches of 85 Ukrainian banks operating in Ukraine and there can be no doubt that at the first signs of political stabilization and the formation of a civilized currency system dozens of Russian and non-Russian banks will come here. Bankers are well-to-do people and they can afford a good climate and peace. In any case, hope is inspired by the fact that Ukraine itself (which previously declared that Crimea's currency innovations were unacceptable) is following the Crimean path and preparing a package of documents providing for normal currency regulation.

Naturally, the creation of a foreign currency system worthy of Crimea is not a simple matter and we must not limit ourselves to the presidential decree alone. From the enterprises we are already receiving more letters with proposals to simplify the currency regulation system. On the other hand, certain Crimean companies will have to seriously revise their foreign economic activity and reorient it in the interests of Crimea. There is no other way.

Funds Allotted To Study 'Promising' Gold, Silver Deposits

WS1406141694 Kiev UKRINFORM in English 0814 GMT 14 Jun 94

[From the "Business News Weekly" feature No. 24, 6-12 June 94]

[Text] The Ukrainian Government has earmarked about 40 billion krb. [karbovantsi] for survey and prospecting

in 1994 of what might prove to be promising to exploit Ukraine's gold and silver deposits.

As Vladimir Tishchenko, the planning department superintendent of the State Committee for geology and mineral deposit utilization, disclosed in an interview to UKRINFORM's correspondent, 23 billion krb. have been allotted this year for specialized machinery and equipment to be installed in silver-and gold fields. Five pilot mines are supposed to be thus equipped in three regions after preliminary surveys, which allow to estimate their real silver and gold contents. The State Committee for Geology and Mineral Deposit Utilization is contemplating to channel 2.5 trillion krb., starting with 1994, to setting up and equipment of such pilot mines in the Dnepropetrovsk region (East Ukraine).

As experts with the State Committee maintain, the above stated sums will be sufficient for only the initial phase of the survey and prospecting project. However, there is hardly any need for more money pending the survey's results.

According to Mr. Tishchenko, it would be too premature and groundless now to conjecture the fields' warranted industrial-scale exploitation, since more or less conclusive evidence may be gathered not earlier than in 1996.

As preliminary survey data suggest, the Donetsk region's gold sulfide and silver Bobrinskoe and Zhuravskoe deposits appear to be most accessible in the Nagolny ridge (see UBN no. 17/1994).

The project also provides for surveys in virtually all regions of Ukraine, where precious metal deposits were found (Ukraine's Transcarpathia, Dnepropetrovsk and Kirovograd regions, and the Nagolny ridge).

The State Committee's Yuzhukrgeologia (South Ukrainian Geology), Severukrgeologia (North Ukrainian Geology) and Karpatukrgeologia (Carpathian Ukrainian Geology) agencies are in charge of survey in their respective regions of Ukraine.

In the meantime, Mr. Tishchenko cautions that the early survey's promising results need more substantiation before a feasibility study could be launched. Laymen's emotional optimism should be considered as irrelevant, for the time being, Mr. Tishchenko maintains.

Export of Gold and Gold Jewelry in 1994's 1st Quarter

Items of export	Importer-nation	Export amounts (kg)	Value (thousands U.S. dollars)
Gold	Russia	35.8	15,400
Gold Jewelry	Russia	132.0	41,400
	Moldova	9.4	3,000
Other precious metal jewelry	Russia	177.0	18,000

Import of Gold and Gold Jewelry in 1994's 1st Quarter

Items of import	Exporter-nation	Import amounts (kg)	Value (thousands U.S. dollars)
Untreated and semi-treated gold, gold powder	Russia	4.2	0.4
	Germany	182.6	14,000
	Switzerland	2,562.0	216,000
	Canada	3.1	0.2
Platinum waste and scrap jewelry	Russia	56.0	118,000
	Germany	8.2	600
	Poland	26.3	14,020
	France	20.0	700
	USA	55.2	23,800
Including			
Silver jewelry	Poland	9.7	11,620
	USA	21.7	21,200
Other precious metal jewelry	Poland	16.6	2,400
	Germany	8.2	600
	France	20.0	700
	USA	33.8	2,600

Belarus

Hryb, Cuban Delegation Discuss Cooperation

WS1506144494 Minsk Radio Minsk Network in Belarusian 1000 GMT 15 Jun 94

[Text] Belarusian Supreme Soviet Chairman Myacheslaw Hryb has received an official governmental delegation from the Republic of Cuba, led by Council of Ministers Vice President Lionel Soto Prieto. In the course of talks, Myacheslaw Hryb pointed out that Belarus is interested in consolidating and expanding economic cooperation with Cuba, which, unfortunately, is currently developing at quite a sluggish pace. The speaker believes problems of mutual payments are among the causes for that situation. According to him, however, this problem can also be resolved, given that not only Belarus has great interest in Cuban products but Cuba is also interested in Belarusian goods. The two sides agreed that in the near future it will be necessary to organize the work of experts who will draft economic agreements for 1995. In the course of the visit, the members of the Cuban delegation also held talks with representatives of the Ministry of Trade and the Ministry of External Economic Relations.

Kebich 'Confident' That Union To Be Revived

MK1506125594 Moscow PRAVDA in Russian 15 Jun 94 p 2

[Report by Oleg Stepanenko: "Belorussia: Ever More Voices for Union"]

[Text] "I am confident that a renovated Union will be revived," said Vyacheslaw Kebich, chairman of the Republic's Council of Ministers, at a meeting with the collective of the Minsk Kirov Machine Tool Construction Plant. He underlined the special importance of unity with Russia: "Should we be left without Russia, it would be our ruin. One should be a realist in politics and remember that the wheel of history can only roll forward, not backward."

Millions of people see no life without a single union of fraternal peoples. In Belorussia [Belarus] nearly three-quarters of the citizens are for the revival. The most consistent supporters of restoring the Union of SSR on a new, mutually acceptable basis are Belorussian communists. It was they who proposed to hold the next meeting of representatives of the communist parties of the former USSR republics in Viskuli where the shameful Belovezhskaya Forest agreement was adopted.

Vitebsk Council To Urge Referendum on Russian Language

WS1606083194 Minsk Radio Minsk Network in Belarusian 0300 GMT 16 Jun 94

[Text] A session of the Vitebsk City Council has resolved to address the Supreme Soviet with a request to consider the possibility of holding a nationwide referendum regarding the issue of granting official status to the Russian language in Belarus. The reason for such an appeal to the highest legislative body was a poll conducted among Vitebsk residents, which was held by an initiative group. The poll showed that 5,000 city residents support the idea of holding— on the same day as presidential elections—a city-wide referendum regarding the introduction of bilingualism. Such a stance is also supported [words indistinct] by 52 people's deputies in the Vitebsk City Council.

Defense Officials Review Election Campaign

WS1606075894 Minsk VO SLAVU RODINY in Russian 11 Jun 94 p 1

[Unattributed report from a meeting at the Belarusian Defense Ministry]

[Text] The Belarusian defense minister has held a meeting with Collegium members, chiefs of administrations, services, and departments of the central administration, as well as the leadership of the "Transaviaeksport" air transportation company.

At the beginning of the meeting, Colonel General P. Kazlowski said the election campaign has entered its final stage. Candidates for Belarusian president meet with working teams and servicemen and present their election platforms and views on the current political processes in the country on radio and television. They also criticize economic reforms carried out by our government in a bid to attract as many voters as possible.

To win the trust of the general public, they often resort to various tricks. Sometimes, not only are they untactful toward each other, but they also cast shadow on entire public groups, including the Armed Forces and their leadership. Facts, arguments, and proof mean nothing to them. What matters to them is smearing everything with black paint and adding as much slander and even lies as possible. These are the kinds of weapons they fight with.

The reason for this may be that teams of some candidates include people of dubious reputation. Unfortunately, their instructions are indiscriminately used in public appearances.

The Defense Ministry, Colonel General P. Kalzowski said, closely watches the election debates and will certainly react to attacks targeted at it. The objective of all commanders, staff officers, and educational structures is to help the personnel listen to televised addresses by the presidential candidates, carefully study them, and select the best one. It stands to reason that the future president will have to care for Belarus, its Armed Forces, and the people's well-being. Therefore, he should have a broad life experience, an extensive professional background, and have good organizational and personal skills. He should be a man who instead of wasting his breath, will wisely and consistently conduct socioeconomic transformations and protect the security of his country.

Lieutenant General N. Churkin, General Staff chief and first defense minister, presented a report at the meeting. He stressed that the Armed Forces is a state institution. The Army properly performs its constitutional duties, reliably protecting boundaries of its Homeland. Complying with the law, all servicemen will participate in the presidential elections. And they do care who will occupy the highest post in the state. This is why one needs to meet people constantly to explain to them the presidents' programs, and to help them properly understand the current situation so that the servicemen make the right choice.

Reports were also made by A. Tushinskiy, first deputy defense minister; Lieutenant General A. Zuyev, deputy defense minister for logistics; Major General A. Sikora, deputy defense minister for military construction and housing; Major General V. Lepeshinski, chief of the Engineering Troops Administration; Colonel V. Chekov, chief of the Relations and Information Administration; and other officials who expressed their attitude toward populist and groundless statements by some presidential candidates about the Armed Forces, and presented their proposals for involving servicemen, the full-fledged Belarusian citizens, in election campaign events.

The Defense Ministry Collegium adopted a declaration. It also examined other important issues.

Reduction in Grain Imports in 1994 Viewed

LD1506164294 Moscow INTERFAX in English 1348 GMT 15 Jun 94

[Text] Belarus will sharply reduce grain imports this year. Last year it imported 1.6 million tons of grain.

Deputy Minister for Bread Products Mikhail Petrashkevich told INTERFAX that since the beginning of the year, Belarus had imported only 287,000 tonnes of grain (including 87,000 tonnes, purchased by the Ministry for Bread Products and 200,000 tonnes by individual enterprises). Grain is mostly imported from Denmark, Germany and France at $105 to $120 for a tonne. In addition, 5,000 tonnes of grain were bought in the Krasnodar Region and 15,000 tonnes in the Stavropol Territory.

Petrashkevich said that grain imports were reduced due to sharp cuts in the production of mixed fodder. Moreover, the population prefers to buy cheap rye bread (previously, wheat was the main import item.)

In 1993, Kazakhstan was the biggest grain supplier of Belarus (1 million tonnes). The other CIS countries exported a total of 600,000 tonnes of grain to Belarus.

Petrashkevich noted that Belarus did not care from which country it imported grain. Whereas last year, Kazakhstan exported grain to Belarus at reduced prices, this year, the Kazakh Government is demanding $110 for a tonne on the condition that payment is made in advance. Wheat ranks first in Belarusian grain imports (about 600,000 tonnes a year). Observers estimate that as in 1993, Belarus is to harvest about 60,000 tonnes of grain this year. The entire grain crop is to amount to 7-8 million tonnes, compared to almost 7.7 million tonnes in 1993.

Lower Russian Energy Prices 'Would Help Monetary Merger'

MK1606063594 Moscow SEGODNYA in Russian 16 Jun 94 p 1

[INTERFAX report: "Minsk Asks Moscow to Revise Prices of Energy Resources"]

[Text] Belorussia [Belarus] has requested the Russian Federation Government to revise the foreign trade prices of Russian energy resources. A ranking source close to the Belarussian Government has stated that "the lowering of prices of energy resources for Belorussian consumers would help a merger of the monetary systems of Russian and Belorussia."

Minsk Notes Moscow Agreement on Duty-Free Oil, Gas

WS1606080794 Minsk Radio Minsk Network in Belarusian 0300 GMT 16 Jun 94

[Text] Russian oil and gas will be supplied to Belarus duty free. This is the essence of a resolution, which has been adopted by the Government of the Russian Federation. The document, signed by Viktor Chernomyrdin, determines the mechanism for facilitating oil supplies, including condensed gas [hazavy kandensat] and products of oil refining, to Belarus. An assent was granted to the proposal of our Republic to extend Russian pricing policies to cover energy resources and raw materials to Belarusian economic bodies beginning from the moment the two countries' monetary systems are unified. Appropriate ministries and committees of the Russian Federation have been instructed to safeguard organizational measures for implementing this resolution, which is one of the first concrete steps toward the accomplishment of the agreement—signed by Vyachaslaw Kebich and Viktor Chernomyrdin—on the unification of the Belarusian and Russian monetary systems.

Moldova

Need for Constitutional Court Examined

AU1506173694 Chisinau BASAPRESS in English 1939 GMT 11 Jun 94

[Text] Chisinau, BASAPRESS, 11/6/1994—After the Constitution is adopted, it will be necessary to inaugurate a Constitutional Court, declared to BASA Eugen Rusu, chairman of the parliamentary commission for appointments and statutes, mentioning that Moldova has no organ which could assure that the presidential decrees, governmental and other institutions' decisions do not violate the stipulations of the Constitution. He

announced that between June 8th and 9th he participated, along with Nicolae Timofte, vice president of the Supreme Court, and Nicolae Uncu, vice-prosecutor of the Republic, at a seminar organized by the CSCE in collaboration with the Romanian Constitutional Court. At the Bucharest seminar, representatives of the constitutional courts of many European countries offered to give consultations on the organization of the Moldovan Constitutional Court. According to Rusu, the former Parliament elaborated a draft law on the Constitutional Court, which is to be sent to the Council of Europe's Commission for Democracy and Justice, whose headquarters are in Venice, to obtain eventual notification, and later to be examined by the Chisinau Parliament.

Stati Elected President of 'Pro Moldova' Movement

AU1506174194 Chisinau BASAPRESS in English 1939 GMT 11 Jun 94

[Text] Chisinau, BASAPRESS, 11/6/1994—A session of the coordinating Council of the "Pro Moldova" republican movement was held today in Chisinau. Vasile Stati, doctor of history, was elected president of the movement. Arcadi Dziubinschi [name as received], one of the movement's leaders, declared to BASA that after the first year of activity "Pro Moldova" has about 500 followers. "We fight for the consolidation of Moldova's sovereignty, recognition of the notions of 'Moldovan people' and 'Moldovan language'," stressed Dziubinschi. He declared that "Pro Moldova" is not a party-like movement and is opened to the representatives of any political formation. "We are ready to accept into our organizations even the representatives of the People's Front—of course all those who would reject the ideals of unification," declared Dziubinschi. In his opinion, "Pro Moldova" is unique because it is the first time a political movement has given priority to the idea of "Moldovanism."

FPCD Rally Protests Current Situation

AU1506173994 Chisinau BASAPRESS in English 1947 GMT 13 Jun 94

[Text] Chisinau, BASAPRESS, 13/6/1994—The Christian Democratic People's Front [FPCD] called together yesterday about 5,000 people in a rally at the Great National Assembly Square. Party representatives discussed the social, economic and political situation in Moldova. This manifestation of the opposition is the first since the 27 February Parliamentary elections, said the organizers. It was stated that the economic recession, which the present rulers cannot stop, has severely affected the vast majority of the population, and the standard of living has reached its lowest level. Numerous social strata are under the poverty limit. FPCD deputy Eugeniu Garla, member of the parliamentary commission for budget and finance, said the industrial production for the first quarter of 1994 fell by 28 percent compared to the same period of 1993, the production of mass consumption goods 37 percent and of nonalimentary goods 41 percent. If this decline continues, by the end of the year Moldova's national revenue will be halved, Garla asserts. The participants also touched on the problem of freedom of expression in Moldova. Stefan Secareanu, editor-in-chief of the weekly TARA [THE COUNTRY], a FPCD leader, told BASA that the draft law on press due to be debated in Parliament "is the clearest sign of the reinstallment of communist dictatorship in Moldova." This document "violates a basic human right, that is the freedom of speech," Secareanu said. Despite the Chisinau Mayor's decree, the FPCD leaders organized the manifestation in the Great National Assembly Square. One of the speakers at the meeting warned that if celebrations devoted to Moldova's liberation from fascist occupation take place, the FPCD followers will organize protests.

Bloc Leader Protests Decision on National Day

AU1506173294 Chisinau BASAPRESS in English 1939 GMT 11 Jun 94

[Text] Chisinau, BASAPRESS, 11/6/1994—Yesterday's decision of the Parliament, according to which 24 August was declared the day of liberation, is an attempt to present events from the point of view of those who call themselves liberators, declared to BASA Alexandru Mosanu, leader of the Parliamentary Block of Peasants and Intellectuals. In Mosanu's opinion, the political aim of this decision was to induce more stress into the situation and to rehabilitate the communist occupational regime. The leader of the faction considers that the parliamentary majority "realizes the interests of those who keep an army of occupation on Moldovan territory." Characterizing the political situation in the republic, Mosanu stated that efforts are being made to reannex Moldova to the Russian Empire. "In this context, Parliament's decision yesterday is an attempt to falsify history," said Mosanu.

Peasant-Intellectuals Protest Anthem Change

AU1506173794 Chisinau BASAPRESS in English 1947 GMT 13 Jun 94

[Text] Chisinau, BASAPRESS, 13/6/1994—"The change of the national anthem only proves that the leadership does not have a diplomatic mentality, because a state that changes its anthem is not taken seriously by international organizations," stated today in a press conference held by the Peasants and Intellectuals Block Valeriu Matei, deputy to the Moldovan Parliament. They presented the declaration written by 11 deputies of the Socialist Party and Democratic Agrarian Party demanding celebration of the "50th anniversary of Moldova's liberation from the Romanian-fascist occupation" on 27 August. The deputies demanded the day of 27 August be declared a national holiday. The Congress of Intelligentsia chairman Alexandru Mosanu, called the declaration "the beginning of the restoration of the communist regime." According to local observers,

authors of this declaration try to give to Moldova's independence day celebrated on 27 August another colour. The Parliament voted to celebrate the 50th anniversary of Moldova's liberation from the fascist occupation on 24 August. The deputies of the Intellectuals and Peasants Parliamentary Faction also opposed the draft law on press. They called it "the most antidemocratic law in any state." Alexandru Mosanu said during the press conference that, if this draft law passes, reporters will have to work under conditions of dictatorship. Valerie Matei stated that "a law on press which admits censorship cannot be democratic." He goaded the reporters at the conference to appeal without delay to international organizations to obstruct the adoption of this law.

Defense Ministry Seeks Military Training Resumption

AU1506174394 Chisinau BASAPRESS in English 1939 GMT 11 Jun 94

[Text] Chisinau, BASAPRESS, 11/6/1994—"Commanders of the Moldovan Military units periodically raised at the Ministry's consultations the necessity for resuming the courses of military training at schools," stated to BASA Grigore Guritanu, from the Defense Ministry. He argued that recruits are poorly prepared for military service. Military training in Moldova was suspended in 1990. Guritanu pointed out that the Defense Ministry has received letters from former teachers of military training proposing to resume these courses. He mentioned that the Defense Ministry has not yet begun to design projects on this matter. In his opinion, to adopt such a decision would mean large financial expenses not only for teachers' salaries but for restoring supplies which have lately drastically diminished. "Decisions on such matters are made at the Governmental level. As to the Defense Ministry, it would welcome the resumption of military training in schools, but it does not have the necessary financial resources for this," said Guritanu. Valeriu Senic, chairman of the Parliamentary Commission for Education, stated to BASA that the concept of general education is being elaborated: therefore, it is too early to say if military training will be resumed in schools. "In my opinion, all problems connected to the preparation of recruits can be settled in the physical training classes. But I will not oppose the resumption of military training in schools, if it is legally introduced," said Senic.

Interior Ministry Takes Measures To Fight Crime

AU1506165994 Chisinau BASAPRESS in English 1939 GMT 11 Jun 94

[Text] Chisinau, BASAPRESS, 11/6/1994—The Moldovan Ministry of Interior is carrying out for the third day "The Square" operation. Petru Harbur, head of the Chisinau Police Commissariat, stated to BASA that the main purpose of the operation is to stabilize the crime situation in Chisinau. According to him, there was a slight increase in the level of crime in the first quarter of 1994. Measures are undertaken to detect illegally held arms, criminals from the other regions of the CIS who have settled in Chisinau, cases of violation of passport regulations and raids on the usual criminal hangouts-bars, casinos and restaurants. According to Harbur, the first two days of the operation resulted in a two fold decrease in the number of crimes. The police has detained four persons wanted by police and discovered illegally held arms. He said that forecasts about the efficiency of the operation are thus confirmed.

Kazakhstan

Nazarbayev Proposes Cures to Economic Crisis

PM1506151194 Moscow IZVESTIYA in Russian 15 Jun 94 p 2

[Report by Vladimir Ardayev: "Nazarbayev Proposes Amendments"]

[Text] Alma-Ata [Almaty]— President Nursultan Nazarbayev of Kazakhstan has sent the Republic's Supreme Council a message entitled: "On the acceleration of market transformations and measures to escape from the economic crisis."

According to his assessment, the situation in Kazakhstan is characterized mainly by negative processes and unstable phenomena: "The crisis and its extreme manifestations in the form of the slump and rising inflation are nullifying many of our efforts to stabilize the economy and are a heavy burden on citizens' shoulders."

The speech and the president's message outline the main areas of what N. Nazarbayev sees as the best option for Kazakhstan's development. Center stage goes to a money-credit and banking reform "which takes real and not formal account of the sovereign state's demands on the market economy" in which the key task is to halt galloping inflation and strengthen the national currency. The president believes that Kazakhstan has only one path to financial stabilization—the reduction of all state spending apart from the most essential: appropriations for the payment of wages, pensions, and social security grants. According to this program all subsidies to enterprises, both direct and hidden, are to be terminated with the result that loss-makers will face bankruptcy but the state will not bear any responsibility for that. It is necessary to cut spending on the upkeep of state agencies. In addition, prices for all types of goods and services are to be decontroled.

The head of state dwelt in particular on the problem of stability in Kazakhstan. He dealt in greatest detail with the sensitive question of migration, noting that he is enraged both by the "attempts to overdo it" and the "desire to embellish reality a little and pretend that there is nothing special happening." Population loss due to migration has been characteristic of Kazakhstan for a quarter of a century now but in recent years has increased more than tenfold, reaching 222,100 people last year.

N. Nazarbayev cited factors which, in his view, have been encouraging non-Kazakhs to leave Kazakhstan and said that the prime reason was mistakes in language policy and the definition of the status of the state language. N. Nazarbayev asserted that "it is necessary immediately to adopt a new law on languages and remove all discrimination against the Russian language, which is just as necessary to the development of the Kazakhs and other peoples as it is to Russian-speaking population itself." A negative role, to use the president's phrase, was also played by the "distortion in cadre policy" and the "imbalance in the admission of school-leavers to higher and secondary specialized educational institutions." In addition, N. Nazarbayev believes that the time has come to draw attention to manifestations of vulgar nationalism and said that "there must be severe penalities for racial abuse."

All these conclusions are correct but are they not too late?

In addition, the author of the message ignored questions relating to the domestic political reorganization in Kazakhstan. He believes, among other things, that the best option would to be reform parliament as a bicameral body, empowering it to impeach the president and empowering the president to dissolve parliament. There must also be a fundamental restructuring of the legal system.

As for the activity of the government, which is presently receiving most criticism, the president said that the Cabinet of Ministers should be given carte blanche for 15 months in order to implement the updated program of anticrisis measures.

However, that did not stop N. Nazarbayev from carrying out a reorganization and a reshuffle in the government cabinet literally just a couple of days later.

The most interesting of the cadre reshuffles is the appointment of 40-year old Kozykorpesh Yesenberlin, head of the Alemsistem Finance and Investment Corporation, one of the largest nonstate production and commercial structures in Kazakhstan, to one of the key posts in the government—chairman of the State Committee for State Property. Whatever else, it is hard to describe the change of holders of government portfolios as anything other than positive.

Kasymov Assails Russia's Partnership for Peace Conditions

LD1506202294 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] Kazakh First Deputy Defense Minister Alibek Kasymov told a news conference in Almaty Wednesday that the conditions put forward by Russia for joining the Partnership for Peace program were not acceptable.

In his opinion, "absolutely all states within the framework of this program will enjoy equal rights. No one must seek a special status."

The chief of the staff of the NATO forces in Europe, Peter Karstens who is on a visit to Kazakhstan said that "there will be no special status for anyone in the Partnership for Peace program and no exceptions are envisioned."

At present, Kazakhstan is developing a presentation document specifying aspects of the republic's membership in the program. The documents provides for consultations on a reduction of the Kazakh armed forces, their formation and development, including shaping up the defense budget and help in training personnel.

Kasymov admitted that the Kazakh Army suffered from a lack of officers, and the republic's leadership intend to create conditions for citizens of other states to serve in its armed forces.

Foreign Ministry Statement Urges DPRK To Resume Dialogue

LD1506123094 Moscow ITAR-TASS in English 1143 GMT 15 Jun 94

[Report by ITAR-TASS correspondent Gennadiy Kulagin]

[Text] Almaty 15 June TASS—A Kazakhstan Foreign Ministry statement, circulated here on Wednesday, expresses the Republic's concern over the situation on the Korean peninsula. The situation has become seriously aggravated in view of North Korea's decision to withdraw from the International Atomic Energy Agency (IAEA).

"Thus, another spiral has been added to the crisis which was brought on by that country's withdrawal from the treaty on non-proliferation of nuclear weapons," the statement said.

Actions taken by North Korea of late "do not give grounds to affirm that the country lacks a military nuclear programme," the statement stressed.

"Emergence of nuclear weapons in the northern part of the peninsula would pose a serious threat to both regional and global stability and security.

"This is why Kazakhstan, which has joined the Nuclear Non-Proliferation Treaty (NPT) as a non-nuclear state, and which comes out in favour of strict compliance with the NPT regime calls on North Korea to resume dialogue with the world community to avoid a further exacerbation of the situation concerning the nuclear problem on the peninsula", the statement said.

The Kazakhstan Foreign Ministry, positively appraising Russia's proposals to convene an international conference on security and on nuclear problem on the Korean peninsula, with the participation of North and South Korea, the United States, China, Japan, and Russia, as well as U.N. Security Council and IAEA representatives, urged all the sides concerned to show a constructive approach with a view to settling the situation.

Army General Notes Importance of NATO Delegation Visit

LD1506162494 Almaty Kazakh Radio Network in Russian 1400 GMT 15 Jun 94

[Text] As has already been reported, a NATO delegation visited Almaty for three days, led by General Peter Heinrich Carstens, chief of staff of the Supreme Headquarters [HQ] Allied Powers of Europe. They met the leadership of the Supreme Kenges and the Cabinet of Ministers, held talks at the Ministries of Defense and Foreign Affairs, and visited military units.

A news conference was held today on the outcome of the visit by Major General Alibek Kasymov, chief of staff of the main HQ of the Kazakh Armed Forces and Peter Heinrich Karstens. The NATO general told journalists that after the end of the Cold War, NATO is facing many qualitatively new objectives. Foremost is the expansion of the security area in the world, establishment of friendship with the former USSR countries and the Warsaw Pact. The Partnership for Peace program was designed with this aim in mind. Kazakhstan has already joined. One of the provisions of the program is cooperation in the military field. Later this year joint training exercises for ground troops will be held in Poland and Holland where Kazakh observers are invited to participate. One of the aims of the NATO delegation's visit to Kazakhstan is to establish links with the Kazakh top brass and learn more about their routine work.

As Alibek Kasymov said, nobody dictates any conditions to Kazakhstan. Kazakhstan itself now determines the degree of intensity of its participation in the program, taking into account realistic possibilities of the program's feasibility. The NATO delegation's arrival became an important benchmark in the establishment of cooperation between Kazakhstan and that organization, Kasymov stressed.

Deployment of Kazakh Battalion in Tajikistan Premature

LD1506204594 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] The National Security and Defense Committee of the Kazakh parliament believes it premature to consider deploying a Kazakh peace-keeping battalion in Tajikistan.

The committee's chairman, Toktar Aubakirov, linked it with the Kazakh government's failure to develop a statute for peace-keeping forces. In an interview with INTERFAX Wednesday [15 June], he said the statute should stipulate the rights, duties and privileges of these units as well as every individual soldier. "Each soldier of this battalion must serve on a contract basis," he pointed out.

Aubakirov himself was ambiguous about sending a peace-keeping battalion to Tajikistan. On the one hand, Kazakhstan must comply with its obligations under the

treaty on the joint guarding of CIS borders. "On the other hand, as a father I do not want my son to be killed in an alien country," he said. Aubakirov believes that the Tajik people should settle their issues themselves. In his opinion the peace-keeping forces "imposed their order on Tajikistan in a violent way."

Kazakh Deputy Defense Minister Alibek Kasymov told INTERFAX Wednesday that his republic was ready to fulfill its obligations to guard the Tajik borders. He said that a Kazakh battalion numbering 500 servicemen had been stationed in Tajikistan since 1993. "The peace-keeping battalion is waiting for its turn to be deployed. If the Supreme Soviet ratifies the treaty, we will deploy it," he said.

Production Enterprises at Standstill in Kostanay Oblast

LD1506161194 Almaty Kazakh Radio Network in Russian 0100 GMT 15 Jun 94

[All figures as heard]

[Text] Due to 95 million tenge of debts for electricity, subunits of the ore mining giant Sokolovsko-Sarbayskiy production amalgamation came to a standstill. In its turn, the amalgamation has not been paid by the Karaganda metallurgical combine—160 million tenge, and the Magnitogorsk combine—24 billion rubles. In Kostanay Oblast, for this or other reasons, enterprises such as the Dzhetygarinskiy asbestos combine, the Avtodiesel works, the largest textile company Kotex, and enterprises of the construction industry also came to a standstill.

Protests Over Price Increases Reported

LD1506112694 Almaty Kazakh Radio Network in Kazakh 0100 GMT 15 Jun 94

[Text] Prices for oil products have doubled in our Republic lately. The price of electricity has increased 2.8 times, heating supplies 3.3 times, and natural gas 3.6 times. Prices for railway cargo transportation has increased five times. Prices for sugar and alcohol have increased two to 2.5 times. Consumer goods from state-owned shops very quickly find their way to the hands of profiteers, and flea market prices have also skyrocketed.

At a republic meeting of the Congress of Entrepreneurs and Union of Industrialists held recently, Prime Minister Tereshchenko said that the price for electricity would be approximately double soon. Salaries and wages are worth nothing now.

Our people are very tolerant, but in many places people have begun to show their dissatisfaction openly. Of late, there have been street protests in the Aynabulak housing development of Almaty because the price for natural gas had been increased sharply.

Problems Raised at Academy of Agricultural Science Meeting

LD1506174794 Almaty KAZTAG in Russian 1440 GMT 15 Jun 94

[Summary] Half of Kazakhstan's population is working in the agro-industrial complex. They produce 40 percent of the national income, which goes into our country's budget. This was said at the general meeting of the Kazakhstan Academy of Agricultural Science on 14 June. At the meeting, it was said that there are more than 60 soil zones in the Republic that differ from each other in nature and climatic characteristics. This means that each of the zones should be managed differently and use different kinds of cattle breeds and seeds.

The meeting also said that the Republic has a developed high-fleeced sheep breeding program and created a new fat-failed breed of sheep that can do well in harsh climatic conditions. It was noted that the Academy of Agricultural Science is suffering from a lack of financing. The gross share of budget allocations for scientific backing of the agro-industrial complex has decreased and comprises 15.5 percent against 18.9 percent last year. Over a period of five months agricultural science has been granted only 34.8 million tenge. The meeting raised some other issues related to financing agricultural science.

Attending the meeting were Deputy Prime Minister [Sergey] Kulagin and Sagadiyev, the president of the National Academy of Agricultural Science. Also attending was Marat Ospanov, the deputy chairman of the Supreme Council.

Kyrgyzstan

Government Adopts New Import Duties

LD1506152694 Moscow ITAR-TASS World Service in Russian 0703 GMT 15 Jun 94

[Report by ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek, 15 Jun—Kirgizia [Kyrgyzstan] has adopted a policy of protectionism. In line with a decision by the republic's government that was promulgated today, import duties of 200-400 percent are being brought into effect on imports of alcohol, tobacco products, furniture, carpets, motor vehicles, and domestic television and radio equipment.

According to competent bodies, the duties will also affect goods brought in across the border by tourists for personal use, even if this is just a single item.

Although these measures are of a temporary nature, if the decision is to be believed, local businessmen make no secret of their concerns. Experience shows that there was nothing more permanent in the former Soviet Union than temporary decisions.

Communist Organization Meets in Osh Oblast

LD1506123894 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 14 Jun 94

[Text] An organizational conference of the Osh Oblast organization of Kyrgyzstan communists was held in Osh. The participants discussed the tasks of the party members under current conditions. They elected the members of the (?people's) committee and the president. Salikov, former first secretary of the Uzgen Rayon committee, was elected as chairman of the executive committee. Sydikov, chairman of the central executive committee of the Kyrgyz [word indistinct] Communist Party, spoke at the conference.

Tajikistan

Deputy Defense Minister Killed in Ambush 15 Jun

LD1506114394 Moscow Radio Rossii Network in Russian 1100 GMT 15 Jun 94

[Text] INTERFAX has learned that Ramazan Rajabov, deputy defense minister of Tajikistan, was killed this morning in an ambush in Garmskiy Rayon. According to preliminary information, six guards were also killed.

Servicemens' Vehicles Ambushed

LD1606101694 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 16 Jun 94

[Text] Two vehicles carrying servicemen from the Tajik Defense Ministry, who were on their way to Khait village to fulfill their duties, [words indistinct] came under fire last night. As a result, six persons were killed and [word indistinct] were wounded.

As a result of these actions Colonel Ramazan Rajabov, deputy defense minister of the Republic of Tajikistan, and Captain S. Kholov, officer of the Defense Ministry's directorate, were killed. The leadership of the Republic's Defense Ministry expresses its deep condolences to the families and close relatives of those killed. The people of the Republic of Tajikistan have lost their [word indistinct] sons in defense of this province and [words indistinct]

More on Killing

PM1506170994 Moscow KRASNAYA ZVEZDA in Russian 16 Jun 94 p 1

[Report by Major Vasiliy Likholeta under general heading: "Shot from the Corner; Those Are the Tactics Resorted to Increasingly Frequently by Gunmen from Tajik Opposition"]

[Text]
In the Last Hour

Major Vasiliy Likholeta, chief of the Tajikistan Defense Ministry press center, has reported to the editorial office that on 15 June at 0930 hours as they were traveling from the Khait population center, at crossroads near the hamlet of Nimich two vehicles carrying servicemen of the Tajikistan Defense Ministry were destroyed by automatic machine-gun fire from an ambush set up by gunmen. Six people were killed and one wounded man is in a serious state. The dead include Colonel R. Radzhabov, Tajikistan Deputy Defense Minister, and Captain S. Kholov, a directorate officer. An operation has started to block off and destroy the gang.

'Liquidation' Operation Launched Against Islamic Group

LD1506181994 Moscow ITAR-TASS in English 1758 GMT 15 Jun 94

[Text] Moscow 15 June TASS—The Tajik Defence Ministry commanded today an operation aimed at the liquidation of the opposition armed groups near the settlement of Garm, where Deputy Minister Ramazan Radjabov was killed early in the morning on Wednesday.

According to the ministry, Radjabov and his escort were moving along a village road in two vehicles when they were suddenly found themselves under automatic fire from an ambush laid by a group of Islamic opposition.

The deputy minister, Captain S. Khokhlov and four soldiers from Radjabov's escort were killed on the spot, one was injured and is now in bad condition, the source told TASS.

2d Round of Inter-Tajik Talks To Start 18 Jun in Tehran

LD1606083994 Dushanbe Radio Tajikistan Network in Tajik 0030 GMT 16 Jun 94

[Excerpts] The second round of inter-Tajik talks on national reconciliation will start on 18 June in Tehran, and its main objective will be to sign an accord on ending military operations. [Name indistinct], official representative of the UN secretary general, provided this information yesterday [15 June]. [passage omitted] The second round of talks will be held under the aegis of [name indistinct], special representative of the UN secretary general to Tajikistan. Representatives from Afghanistan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, and the European Security [word indistinct] Organization will be participating in the talks.

Russian Officer Died in Accident, Not Shot

LD1506111494 Moscow ITAR-TASS World Service in Russian 0951 GMT 15 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 15 Jun (ITAR-TASS)—The law enforcement bodies of Tajikistan have set out their version of the death of 30-year-old Senior Lieutenant

Mikhail Osipov, company commander of the 191st Russian Motorized Infantry Regiment stationed in the city of Kurgan-Tyube and forming part of the 201st Motorized Infantry Division.

The ITAR-TASS correspondent was told by Major-General Gennadiy Blinov, the Republic's first deputy minister of internal affairs, that the Russian officer died as a result of an accident right on the territory of the military unit, and was not shot by unidentified persons during an alleged evening patrol check in one of the city's streets. The Republic's law enforcement bodies are presently carefully investigating this tragic incident, Gennadiy Blinov stressed.

Uzbekistan

Premier Says Language Legislation Not Properly Implemented

LD1506191194 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] Uzbek Prime Minister Abdulkhashim Mutalov said that the state language legislation was not satisfactorily implemented.

He told the commission supervising compliance with the legislation at its meeting in Tashkent that posters in Russian were still on display in many parts of Uzbekistan.

He criticized the ministries and agencies which had not used the Uzbek language in their correspondence.

Mutalov attributed this to the want of national pride and patriotism in the mentality of certain officials.

Under the legislation adopted in 1990 only the Uzbek is the national language while the Russian is regarded as the language of ethnic communication. People of over 100 nationalities reside in Uzbekistan.

Trade With Pakistan Shows Favorable Balance

LD1506135494 Tashkent UZBEKISTAN APN in Russian 0944 GMT 15 Jun 94

[Excerpt] [No dateline as received]—Exports from Uzbekistan to Pakistan in 1993 reached $8 million, exceeding imports from that country by a factor of four. Uzbekistan supplied Pakistan with mineral fertilizers, agricultural machinery, pesticides, and technology for cotton production, while Pakistan supplied Uzbekistan with textiles and other consumer goods. These facts were quoted at an exhibition of Pakistani goods which opened in Tashkent. [passage omitted]

Armenia

Speaker on Peacekeeping in Nagorno Karabakh

MK1506110594 Moscow NEZAVISIMAYA GAZETA in Russian 15 Jun 94 p 3

[Interview with Supreme Council Chairman Babken Ararktsyan by Liana Minasyan in Moscow under the "Peacekeeping" rubric; date of interview not given: "Loss of Momentum by Peacekeepers May Lead to Escalation of Karabakh Conflict. Chairman of Armenia's Supreme Council Babken Ararktsyan on Parliamentarians' Role in Settling the Crisis"]

[Text] [Minasyan] Does the situation in the national parliaments affect the work of the Interparliamentary Assembly [IPA], from whose sitting you have come to Moscow? Is it going to be a sort of a supra-parliamentary organ or will it remain in its present capacity?

[Ararktsyan] The IPA Council is indeed a "speakers' club" of sorts. But during plenary sessions it is not just the speakers' own points of view that clash, because the Armenian delegation and the other delegations represent all the political forces. Clashes are natural under these circumstances. Besides, inside the "speakers' club" itself there are very many different approaches, but since decisions are reached through consensus, proposals that cannot be accepted at once have to be given a "blander" form. I am going to speak about the question that was before the latest IPA Council in St. Petersburg. The Bishkek protocol recorded Shumeyko's and Sherimkulov's initiative that the parliaments of the CIS-member countries should approve the idea of creating CIS peacekeeping forces. The IPA Council was also asked to support this proposal, but Azerbaijan blocked it.

[Minasyan] Was anyone else against?

[Ararktsyan] Clearly not. Moldavia [Moldova] had some doubts, but had it come to voting, they would not have vetoed it, I think. Azerbaijan was against, and the decision was not made but will be taken up again in the autumn.

[Minasyan] What caused Mr. Guliyev's doubts?

[Ararktsyan] This is a very important question politically—the presence on Azerbaijan's territory of peacekeeping forces of the CIS or Russia. They have either made no final decision or are against.

[Ninasyan] Maybe the whole thing would boil down to giving the Russian forces the flag of the CIS coalition?

[Ararktsyan] The peacekeeping forces are not only the subunits that are going to participate in peacekeeping operations. Many CIS countries are ready to give them material assistance, say, to supply technical equipment—this is also participation. I know that some countries are ready to also provide military contingents. Thus, one should not identify CIS peacekeeping forces with Russian troops—this of course causes anxiety in the political quarters of different countries. No one, Russia included, objects to the presence of international forces. But the CSCE has no peacekeeping subunits, only the United Nations does. The fears are that getting the mandate and finances may take time while the fragile truce that now holds in the conflict region may be broken at any time. Therefore the loss of momentum may amount to an escalation of the conflict.

[Minasyan] As a regional organization, can the CIS give its mandate to these troops?

[Ararktsyan] It can. International organizations, too, can give their own mandate—no one objects to this.

[Minasyan] What caused Shumeyko's appearance among the mediators?

[Ararktsyan] Shumeyko was elected chairman of the IPA, the decision on the creation of a peacemaking group for Nagorno Karabakh was made back last year, and he was naturally supposed to join in this work. He also played a great role in the signing of the Bishkek protocol.

[Minasyan] How can this problem be solved at the level of parliaments?

[Ararktsyan] I, of course, realize very well that this is a job for the executive. Parliaments can only recommend these or other steps— the Bishkek protocol also contained recommendations of this sort. But sooner or later, when agreements have been signed, they have to be ratified by the Supreme Council. And ratification will be made easier if parliament joins the effort at an early stage.

[Minasyan] Did the quadripartite meeting on Karabakh take place in St. Petersburg after all?

[Ararktsyan] There was a very exciting exchange of views between Shumeyko, Guliyev and myself, and Baburin. The very fact that this meeting was attended by the chairman of the Karabakh parliament shows that there is progress in the talks. Undoubtedly, that was an informal conversation that entails no obligations.

[Minasyan] Can the implementation of the Russian peacekeeping plan meet with opposition in the Armenian parliament?

[Ararktsyan] The plan suggested by Armenia's leaders for two years—the establishment of a guaranteed peace with the bringing in of peacekeeping forces followed by talks on the political status of Nagorno-Karabakh—is being backed in general forms by almost all political forces. The mechanism for carrying it through, of course, causes differences. Some radical forces have their own stance on the fundamental question—they believe the status of Nagorno-Karabakh should be defined immediately. However, making haste on the question of status could deadlock the current preliminary round of talks.

[Minasyan] Does the possible presence of Russian troops in Karabakh cause displeasure?

[Araktsyan] It does not. There are no important differences on this question.

Azerbaijan

Aliyev Meets With CSCE Minsk Group Delegation

NC1506200294 Baku Radio Baku Network in Azeri 1700 GMT 15 Jun 94

[Text] President Geydar Aliyev received the visiting CSCE delegation headed by Jan Eliasson, chairman of the CSCE Minsk Group, today. Jan Eliasson recalled that today, 15 June, marks the first anniversary of Geydar Aliyev's return to Azerbaijan as a leading official after a long time and said that the Azerbaijan Government has taken important steps to end the war, which has continued for more than six years. He noted that the CSCE Minsk Group's close concern for the effort to end the war is the outcome of one of those steps. The guest stressed: Considering the proposals that have been recently made by the mediating countries and the UN organization and, in particular, focusing attention on the views expressed by the leading officials of Armenia and Azerbaijan, we are making an effort to end the war. [Words indistinct], that is the liberation of the occupied territories, return of the refugees to their homes, and restoration of the primary communications systems. That objective can be achieved only if the talks are maintained and the cease-fire agreement is heeded.

On his part, Geydar Aliyev said that Azerbaijan remains fully committed to the cease-fire in accordance with the agreement that was reached earlier. He said: We have stressed several times that we agree with the proposals that have been made by the UN organization, the CSCE, and other mediating countries for the finding of a peaceful solution to the Karabakh dispute. That we agree with those proposals should not be taken to mean that we will allow Azerbaijan's territorial integrity to be harmed. We support a just peace. We welcome the fact that the CSCE Minsk Group has recently adopted that concept in its activities. Azerbaijan's leaders have stressed in the talks that have been held on the question of the deployment of military observers in the region that the Armenians in Karabakh should not worry about their future when the Armenian military units begin to withdraw from the areas they have occupied. The UN and CSCE observers will give all the necessary guarantees to them.

Altan Karamanoglu, Turkey's ambassador in Baku and representative in the CSCE, attended the meeting. Speaker of the Azerbaijan National Assembly Rasul Guliyev; foreign policy adviser Vefa Gulizade; Foreign Minister Gasan Gasanov; Defense Minister Mamed-Rafi Mamedov; and other officials also attended the meeting.

Supports Comprehensive Karabakh Agreement

LD1506190294 Moscow INTERFAX in English 1537 GMT 15 Jun 94

[Text] Azeri President Geydar Aliyev favors the signing of a comprehensive political agreement, which would solve all problems associated with the Armenian-Azeri conflict in a just manner.

In line with the document, international forces or observers will be deployed in the region and the problem of security for Karabakh Armenians will be solved, said the president during the meeting in Baku on Wednesday with the chairman of the Minsk CSCE group, Jan Eliasson.

The president repeated the position of Azerbaijan according to which it is necessary to observe the cease-fire and achieve the liberation of the captured territory of Azerbaijan.

Aliyev accused Armenia of dual policies towards the Conference on Security and Cooperation in Europe, for example, of Yerevan's refusal to sign the CSCE plan for the conflict settlement, said the Azeri leader.

Eliasson said that the CSCE should act as a mediator in the settlement of the Armenian-Azeri conflict.

Treaties With France, Iran, Turkey Ratified

NC1506182694 Baku TURAN in English 1243 GMT 15 Jun 94

[Text] Baku (June 15) TURAN—Yesterday the Milli Mejlis ratified several Azerbaijan's international treaties. Among them are a Friendship and Cooperation Treaty with Turkey and France, an Azerbaijani-Turkish Protocol on Mutual Assistance and Cooperation, an Azerbaijani-Iranian Memorandum of Friendship, Cooperation and Principles of Bilateral Relations, the Law on Mutual Protection of Investments between Azerbaijan and Turkey.

German Government Delegation Ends Visit

NC1506202694 Baku TURAN in English 1718 GMT 15 Jun 94

[Text] Baku (June 15) TURAN—A visit by a governmental delegation from the German Federal Republic which is headed by a representative of the Federal Ministry for Economic Cooperation, Mr. Neufeld, to Azerbaijan has come to an end. During the visit the delegation met with the Foreign Minister, Gasan Gasanov, and Samed Sadykov, the Minister of Economy. They also visited the Khizi region near Baku and acquainted themselves with the refugee situation.

"Germany told the Russian government that it supports the settlement of the Armenian-Azeri conflict only within the CSCE framework", said Dr. Manig, an

employee of the political department of the Germany Foreign Ministry in his interview to Azadlig (Freedom) newspaper.

Mr. Manig noted that Germany does not approve of the bilateral talks held by Kazimirov, the special representative of the Russian President on Nagorno Karabakh. According to Manig these negotiations were not discussed with other members of CSCE.

Dr. Manig noted that Germany will insist on the settlement of both the Karabakh and the Abkhzia conflicts within the CSCE framework.

President Decrees Rise in Minimum Wage

LD1506205094 Moscow INTERFAX in English 1827 GMT 15 Jun 94

[Text] Azerbaijani [illegible]dent Geydar Aliyev signed a decree on social prote[illegible] of the people and stabilizing the financial and economic situation in the republic. The decree increased the minimum wage up to 2,000 manats, i.e. by 2.2 times, as of June 1 1994. Prior to this, the minimum wage in the republic remained at 900 manats. The decree also envisioned a revision of the prices of bread and fuel every quarter of the year.

Georgia

Parliament Approves Abkhazia Peacekeeping Operation

LD1506135694 Moscow Mayak Radio Network in Russian 1300 GMT 15 Jun 94

[Text] At today's extraordinary session, the Georgian parliament voted by a majority to support the sending of commonwealth peacekeeping forces to the zone of the Georgian-Abkhaz conflict.

Shevardnadze 'Hopeful' for Success

LD1506185594 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 15 Jun 94

[Interview with head of state Eduard Shevardnadze by correspondent Nato Oniani on 14 June; place not given—recorded]

[Excerpts] [Oniani] Today or tomorrow peacekeeping forces will enter Abkhazia. [passage omitted] How hopeful are you on the eve of the introduction of peacekeeping forces to Abkhazia?

[Shevardnadze] [passage omitted] The Russian president and I welcome the fact that this operation is carried out under UN supervision and with the UNHCR's [UN High Commissioner for Refugees] active participation. UN supervision and an active involvement and assistance of one of its structures, the UNHCR, combined with the participation of Armed Forces from Russia and the CIS, which is an interregional organization, create a fairly promising atmosphere. This should answer your question about the level of my expectations.

There is always some doubt before any such operation. I may have certain doubts too, especially if our bitter experience and the serious lesson we have been given are taken into account. But we had to make a choice. I think that the decision that we made was the only possible option at this stage. Moreover, as I told you, the peacekeeping operation will to a certain extent be supervised by international organizations.

Returning to your question about whether or not I am hopeful, I would say that yes, I am hopeful and I believe that this operation will certainly be a success. Tens of thousands of people will return to their homes. This problem, which is a matter of concern in Georgia and elsewhere, is now closer than ever to its solution. This is my opinion and my answer.

[Oniani] As regards the choice, the opposition has a different opinion. They believe that there was an alternative solution, which is something that Azerbaijan has opted for. Although Azerbaijan faces the threat of losing Ganja, it nevertheless would not agree to the introduction of Russian troops.

Parliament heard today [14 June] that Russian peacekeeping forces had already shown their true colors in Samachablo [South Ossetia] and Tajikistan. There was also dissatisfaction with the planned participation in the operation of the parachute battalion regiment stationed in Gudauta, which, to put it mildly, was giving us a lot of trouble during the war in Abkhazia. It was also said that Georgia was losing whatever was left of its sovereignty.

[Shevardnadze] [passage omitted] It would not be right to draw a parallel between us and Azerbaijan just because it has lost a fifth of its territory but is still holding its ground. Such comparisons are not right because Azerbaijan has its own distinctive qualities, resources, reserves, and perhaps even some countries behind its back. All this requires a deeper analysis and serious consideration. A lot has to be taken into consideration before an accusation is made, especially when it is made in parliament.

I am not in disagreement with the Azerbaijan leadership at all. We have excellent relations and we often confer with each other. I have nothing to say that would be critical of Heydar Aliyev's position. But we in our position had either to take the current course of action or that of war.

Opposition May Delay Operation

LD1506174094 Moscow Russian Television Network in Russian 1600 GMT 15 Jun 94

[From the "Vesti" newscast]

[Text] The Georgian leader Eduard Shevardnadze has not ruled out that the position of the Georgian Parliament may cause a postponement of the introduction of

Russian troops into the [Georgian-Abkhazian] conflict. Some of the Georgian parliamentary deputies assert that the Russian paratroops have been bought by the Abkhazians and, therefore, cannot act as peacekeepers.

[Unidentified correspondent] The peacekeeping operation in Abkhazia has been postponed until 26 June. This was stated by Shevardnadze at a meeting of the parliamentary majority before parliament started work. The opinion of the opposition deputies differs markedly from Shevardnadze's point of view about the introduction of peacekeeping forces into Abkhazia.

In an interview for Georgian television Shevardnadze condemned the actions of the opposition and described them as an attempt to wreck the peacekeeping operation. Shevardnadze expressed confidence in the success of the peace process, the first stage of which, the return of refugees to Gali Rayon, will begin in the next few days.

Russian Engineers To Deal With Mines in Abkhazia

LD1506165794 Moscow ITAR-TASS in English 1603 GMT 15 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow June 15 TASS—Russian field engineering units will be brought in to demine sites in Abkhazia on Thursday, in accordance with the first stage of peacemaking operation in the area of Abkhazian-Georgian conflict.

The announcement was made by Colonel General Vladimir Semenov at a news conference held in the main headquarters of Russian land forces on Wednesday.

Russian peace-making forces will be introduced in the area in accordance with Georgian-Abkhazian agreements and Russian president's decree, Semenov emphasized.

According to him, at present a task force of the Russian Defence Ministry led by Deputy Defence Minister Colonel General Georgiy Kondratyev is in the area, making a reconnaisance of the sites where the peacekeepers will be stationed and commanding points will be set up. They are going to demine these very sites.

Asked if Russian servicemen will be guaranteed security, Semenov underlined that a full guarantee could not be given. The main conditions for such a guarantee lie in demining the terraine in the 12-kilometer strip and building engineering facilities at the peace- keepers' checkpoints, he added.

Every effort will be made to prevent losses of Russian servicemen, he said.

In case of attacks upon the checkpoints run by Russian peace- keepers, the latter will shoot to kill, he emphasized.

Military Exercise With Russians Begins

NC1506190094 Yerevan SNARK in English 1206 GMT 15 Jun 94

[Text] Tbilisi, JUNE 15 (SNARK)—The assembly of the commanding officers of the formations and detachments within the Group of Russian troops in Transcaucasia has started today in Georgia. The Commander-in-Chief Colonel-General Feodor Reut leads this muster. It is held on the basis of the Batumi garrison's 90th motor-rifle regiment. June 16 is supposed as the day of the arrival of the Georgian and Armenian Defence Ministers. They will take part in the measure. Our correspondent reports, that June 17 studies on the local battle direction are to start. The Black Sea Navy landing party will be drawn in these studies.

Abkhazia Reduces Power Supply to Georgia

LD1506133894 Moscow INTERFAX in English 1221 GMT 15 Jun 94

[Text] In the evening of June 14 Abkhazia cut back by 80 percent the supply to Georgia of electricity produced at the Inguri power station.

Vice Premier of the Abkhaz government, Vladimir Mikanba, told Interfax that this was in retaliation at the acts of sabotage carried out by Georgian forces in the Gali region of Abkhazia. Electricity cables were destroyed leading to a loss of supply to a number of regions, including the capital Sukhumi.

Chikvaidze Signs Treaty on Economic Ties With Austria

AU1606113494 Tbilisi REZONANSI in Georgian 8-9 Jun 94 p 1

[Giorgi Kalandadze article: "A Representation of the Austrian Chamber of Commerce Will Open in Georgia"]

[Excerpt] On 31 May, [Foreign Minister] Aleksandr Chikvaidze held a press conference devoted to the results of the visit he and Hamlet Chipashvili, head of the consular department, made [to Austria and France].

On 23-25 May, Aleksandr Chikvaidze made a business trip to Austria where he met with the minister of the economy and the heads of the foreign ministry. A bilateral treaty was concluded on the establishment of economic ties. As it became known, the Georgian delegation had talks with their Austrian colleagues on the allocation of specific credits. The Austrian side decided that, in the near future, it would send a delegation to Georgia that would include a representative from the Ministry of the Economy and the Chamber of Commerce. He will study the prevailing situation in the republic and, on the basis of information gathered, the Austrian Government will decide what kind of credits it might allocate to Georgia.

As Aleksandr Chikvaidze stated, the Georgian delegation held a meeting with Austrian businessmen including the famous Leopold Bausbeck. According to the minister, Bausbeck will render assistance to the organizational committee of the "Bisec" session.

According to a statement delivered at the press conference, a representation of the Austrian Chamber of Commerce will soon be opened in Tbilisi. The opening of a similar service in Vienna is experiencing financial difficulties.

As regards the opening of Georgian diplomatic services in various countries, the minister stated that a Georgian embassy would soon be opening in Iran. In his view, it was essential to open similar services in Armenia, Azerbaijan, and Ukraine and also in the CIS representation in Minsk. [passage omitted]

National Bank Head Views Financial Crisis

AU1606091394 Tbilisi THE GEORGIAN TIMES in Georgian 24 May 94 p 5

[Interview with National Bank President Nodar Javakhishvili by Klara Grigolia; place and date not given: "How Are We To Overcome Hyperinflation?"]

[Excerpts] The process of hyperinflation is raging. In the view of our society, the prospects for halting it are hopeless. There is only one glimmer of hope—the implementation of a severe financial and credit policy. We spoke about this vitally important problem to Nodar Javakhishvili, president of the Republic of Georgia National Bank. [passage omitted]

[Javakhishvili] How can we overcome hyperinflation? We have to start without delay to live within our means for at least two to three months; that is to say, the Georgian population and economy should use only what is produced. This concerns gas, electric power, food products, and, in general, everything. There is no perfect [system of] social justice. It is not possible to save our country in the situation it is in under the aegis of a perfect [system of] social justice. Far more injustice will be committed under the aegis of social justice. For example, the population is practically not being made to pay taxes and if it is paying something, this is not to the advantage of the state. The sole payer for the gas being consumed is the republican budget whose source is the credit emission from the National Bank; that is to say, with the money used to pay for the gas being consumed, we are increasing the amount of the money supply in circulation that has not been secured and, in this way, money belonging to all citizens of Georgia, including those who do not use gas, is being devalued. Tbilisi, Rustavi, and Kutaisi are being supplied with gas; that is to say, the price of gas consumed by me as an inhabitant of Tbilisi is also being paid for by a peasant from Kiziqi through the imposition of an inflationary tax; all the more so because, in the environs of Tbilisi, many families use gas for heating, hot water, and most importantly, for their hothouses. This means that we have to change our psychology—proceed not from what we want or need, but according to our means; we should aim to extend those means and use them efficiently, that is to say, in reality, we should not have a budget deficit. A budget deficit means more is being spent than earned; it is another matter that we increase budgetary incomes (we are also obliged to do so) at the expense of levying taxes. We should refrain from issuing credits; this will bring instant stability to the money market, although it will also not be our final salvation; this will signify only a reduction of the temperature. However, if we reduce this temperature, international society and, in particular, the IMF, World Bank, and the European Bank [for Reconstruction and Development] are ready today to render us real and extensive assistance—financial assistance—that should revive production and gradually secure a saturation of goods on the consumer market.

At the same time, we should reduce the temperature with our forces; this is their one firm condition, that is to say, either we should continue to consume within today's parameters—if we consume just gas to the value of $300 million annually and produce only one-tenth of this, we will alienate international financial institutions that are keen to help us—or we should limit consumption for a few months in accordance with the country's real potential.

Reducing the rate of inflation means that there should be an improvement in the exchange rate of the coupon to the dollar and a fall in the value of the dollar against the coupon. For example, today, a salary of 500,000 coupons is equivalent to half a dollar; if we reduce the inflation rate by 50 percent, one dollar will be equivalent to 250,000 coupons. Correspondingly, the population's savings will become more solid and gradually increase in value in reality. We should not concern ourselves with increasing wages, but with making them more solid and strengthening the coupon.

Regarding the loans issued by the National Bank, retrieving them has been entrusted to the law enforcement bodies and a large part has already been recovered; however, there are still many things that have to be done regarding those persons who have left the republic. The law enforcement bodies are actively working on this.

However, the problem is that the basic loans that have been issued have been covered at face value, which we cannot call being covered in reality as 100 million rubles lent in February of last year is covered by 100 million coupons this year; this represents practically no cover. It is necessary that profit obtained as a result of the rate of inflation as hidden income should be retrieved to the benefit of the state budget by the corresponding law enforcement bodies, better still by the Tax Inspectorate; this will be the most serious blow against inflation and it is my firm belief that it will reduce the budget deficit as this amounts to approximately $300 million.

As for the coupon, from the very first day it was introduced, this was a temporary transitional unit of

payment; as can been seen from its name, the coupon cannot be called money. It is a part of securities that are given to its owner to enable him to receive the dividend belonging to him. However, I believe that we should achieve stability on the basis of this same coupon so that we can protect real Georgian money. We are thinking of introducing the lari [name of future new Georgian currency] during the initial period of stability, but this will only happen when we are conceptually absolutely ready for monetary reform and, what is no less important, when we will have financial guarantees that it will not suffer the same fate as the coupon. The IMF is virtually giving us such guarantees provided we fulfill their demands.

My attitude to the ruble zone is a negative one as I cannot realistically envisage the creation of a ruble zone and our having any prospects within it. Nobody should think that Russia will accept such a country into the ruble zone and provide it with funds and notes whose level of inflation is 10 times higher, which in itself means that Russia will automatically and without compensation assume responsibility for nine-tenths of the country's general expenses. They will certainly demand from us that we do not allow there to be a budget deficit and that we bring credit emission and the inflation level into line with one another. In the event of our implementing such measures, our money will be on a par with the Russian ruble and the ruble zone will have no significance at all for us; it will have already by then resulted in the loss of the country's most important attribute of sovereignty.

Today, very many people are speculating about the European Union [EU] and the ECU although no one should think that the ECU is a real monetary unit in Europe. In spite of trying for decades and taking into account that the level of development of [Western] European countries is very similar in each case, they have been unable to achieve this aim in Europe; we can only think about this when the former Soviet republics will have similar economic levels, which, as in the case of the European Union, will take decades.

Managing the country's economy, particularly bringing it out of the very deep crisis, cannot be done by a monetary and credit policy alone; it is necessary for all levels of power and the whole of society to work in one direction; we are currently at war, that is to say we are struggling to save the country's statehood.

I view my minimum program as obtaining real assistance from the international financial institutions and my maximum program as building a truly independent state by means of a highly developed banking system. Probably the reason why I can never inwardly agree to the National Bank issuing loans today is that we are dealing here with credit emission or money that does not exist, which, in every case, leads to an acceleration in the rate of inflation and is a mechanism for levying taxes upon the population.

In today's conditions, there are very many things that we need to do. We have already begun the training of specialists for the banking system in Georgia, which is being undertaken by the German Banking Academy under the aegis and with the financial support of the European Union. There should be 280 trained specialists within one and a half years.

Estonia

Russian Admiral Says Combat Ships To Leave Before Jul

WS1506135394 Tallinn BNS in English 1259 GMT 15 Jun 94

[Text] Kaliningrad, Russia, June 15, BNS—The last Russian navy combat ship will leave Estonia by the end of this month along with all naval ammunition left in that Baltic country by that time, the head of Russia's Baltic Sea Fleet, Adm. Vladimir Yegorov, told BNS.

The admiral said Russia still had some 800 tons of naval ammunitions in Estonia. All this will be taken out from the country before the end of the month, if no what he called "unpredictable obstacles" will emerge. Also in the former Russian submarine crew training center in Paldiski is winding up, but it will still take long to complete all the work there, he said.

Remaining 52 staff at the naval base in Tallinn are active shutting down the base. In addition to them, there are 303 families of Russian officers in Estonia for whom Moscow has been unable to provide housing in Russia. An agreement concerning such families has been signed with Latvia, but no respective document exists for the families in Estonia, the admiral said.

Yegorov also mentioned that the Paldiski naval training facility with its nuclear reactors was not his competence, but stood under direct authority of the naval headquarters in Moscow. The Baltic Sea Fleet is in charge of providing the necessary technical assistance and facilities for their dismantling, as well as taking away the gear. The head of the Baltic Sea Fleet couldn't say what was the timetable for the reactors' dismantling.

Parliament Refuses To Guarantee Loan From U.S. Bank

WS1606091294 Tallinn BNS in English 1838 GMT 15 Jun 94

[Text] Tallinn, June 15, BNS—The parliament today voted down 48 to eight and one abstention the bill of ratification of a government guarantee for a loan from the American Export-Import Bank, the parliament press office reported.

The controversial loan guarantee, referred to after the name of the Estonian beneficiary company as the Lekto loan, has served as a main argument in the hands of anti-prime minister opposition during recent political disputes. The Lekto company and America's Western AG Resources in April last year signed an agreement on potato farming in Estonia. According to the document, the U.S. company was to supply the Estonian partner with quality seed potatoes, technologies and chemicals, as well as buy the yield grown on 400 hectares in Estonia.

The Estonian Land Bank at Lekto's instructions last May 5 issued three letters of credit worth 1.055 million U.S. dollars, payable by the Bank of Washington. The American Export-Import Bank, acting as guarantor of the credit, sought the Estonian Government's guarantee for the loan. The guarantee was signed by Prime Minister Mart Laar May 20, 1993.

Shortcomings in the equipment supplied by the American company, delayed delivery of the seed potatoes, and choosing a sort not fitted for growing in the Estonian climate, led to a failure of the potato crop, Lakto says. The Estonian Land Bank has turned to an internationally well- known U.S. law firm to sue the American company for the damages.

The Estonian parliament earlier this month in a 18 to 16 vote turned down the first proposal to refuse to ratify the loan guarantee. Finance Minister Heiki Kranich, who by now has entered his resignation, then said that in case of the parliament's refusal to ratify the loan, the American Export-Import Bank will reclaim the money from the Estonian Land Bank. Claims by the Land Bank would lead to Lekto's bankruptcy and takeover from the state, which currently owns 87 percent of shares in Lekto. Lekto's share capital is 4.63 million kroons. Kranich then expected the Land Bank to be able to repay the loan with money to be gained in Lekto's bankruptcy proceedings and from the bank's own reserve. The minister said that if the bank fails to manage with money from these two sources, the rest will be taken from government funds. The minister said his opinion was that the parliament should ratify the guarantee issued by the government, as refusal would negatively affect Estonia's credibility with foreign partners.

Cabinet Rejects Finnish Proposal on Airspace Control

WS1506134994 Tallinn BNS in English 1016 GMT 15 Jun 94

[Text] Tallinn, June 15, BNS—The Estonian Cabinet yesterday ruled that the country will not render flight control operations in its upper air space to any foreign country, Prime Minister Mart Laar said in a press conference.

The Finnish Aviation Department early last month delivered to its Estonian counterpart body its proposals concerning a possible takeover of the control by Finnish operators in Tampere. The plan was considered because of reports that the technical equipment used by fight controllers in Estonia is several decades behind the present-day level.

The Cabinet today decided that there were no serious political or economic grounds to hand over the control and that the step would contradict Estonia's responsibilities under international agreements. Laar said Estonia will start preparation of a long-term program aimed at purchasing state-of-the-art equipment for flight control.

Operations by commercial airlines in several international air corridors crossing Estonia in the upper air

space, or higher than 6,000 meters above the ground, brought to Estonia some 30 million kroons in fees last year.

"We have been able to ensure flight security so far also in the upper air space—the question is on what level," Jaan Tamm, deputy head of the Estonian Aviation Department, told BNS. According to estimates by the International Civil Aviation Organization (ICAO), Estonia needs 39 million dollars, or some 530 million kroons, to update its flight control systems and train the personnel.

Latvia

Cabinet Approves Free Trade Agreement With EU

WS1506133894 Tallinn BNS in English 1016 GMT 15 Jun 94

[Text] Riga, Jun 15, BNS—The Latvian Cabinet accepted Tuesday a free trade agreement with the European Union (EU). The Latvian and EU delegations plan to sign the agreement on June 20, the Foreign Ministry's EU Affairs State Minister Olgerts Pavlovskis said at a press conference.

Pavlovskis said that the free trade agreement with the EU is very important for the development of Latvia's economy.

Pavlovskis stressed that the agreement will not negatively influence Latvia's agriculture and industry, because, according to the initialed agreement, Latvia will have a transitional period for four years during which the import duty tariffs for the EU states' agricultural produce will be gradually decreased.

The Agricultural Ministry's specialists support the ready for signing additional protocols to the free trade agreement, providing for the procedure of decreasing of agricultural products' import duty tariffs, because the agreement itself provides for protecting Latvia's inner market from flowing in of too much EU agricultural products, said Pavlovskis.

The free trade agreement with the EU will promote the flowing in of foreign investments in Latvia and establishing of joint ventures with the local producers, whose produce could be sold in the markets of the European states.

Pavlovskis noted that the quota for industrial and agricultural produce can be revised once in three years thus effectively regulating the development of Latvia's foreign trade.

The Latvian 5th Saeima plans to accept the free trade agreement with the EU in October.

Further on Free Trade Agreement

LD1506200194 Riga Radio Riga Network in Latvian 2000 GMT 14 Jun 94

[Text] A regular session of the Cabinet of Ministers took place on Tuesday [14 June]. The almost 200-page free trade agreement with the European Union was approved there.

Olgerts Pavlovskis, state minister for foreign trade and European Union affairs, tells us the following about it:

[Begin Pavlovskis recording] The cabinet approved the free trade agreement concluded with the European Union and authorized the Latvian delegation to sign it in Brussels on (?20) June.

That was a long and very interesting and intensive way. This document is heavy and [word indistinct]—both in the sphere of Latvian politics and the sphere of the Latvian economy.

In this agreement—we often hear that agriculture will be destroyed, industry will be destroyed, and so on. Various mechanisms, various protection mechanisms so to speak, which will protect not only industrial (products), (when) some sort of a critical situation comes about, for example, in a newly created sector of industry, but also in agriculture, have also been [word indistinct] in this agreement.

We have opened the door for Latvian goods to the West. We cannot guarantee that the goods will be bought, we cannot guarantee the market, but at least we have created conditions in which Latvian producers and Latvian farmers will be able to sell their products in the West with reduced tariffs. [end recording]

Lithuania

Foreign Minister Comments on Istanbul Meeting

LD1406221794 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 14 Jun 94

[Text] Lithuanian Foreign Minister Povilas Gylys has essentially given a favorable assessment to the meeting of the foreign ministers of the North Atlantic Cooperation Council held in Istanbul last Friday.

According to the minister, the politicians had an open exchange of opinions, but on some issues the dialogue was rather tough. Among such issues, Povilas Gylys mentioned at a news conference on Monday Russia's stance on the new partners of the West European Union. According to the minister, the North Atlantic Cooperation Council intended to welcome the granting of the status of partners of the West European Union to nine Central European countries, including the Baltic states. However, under Russian pressure, it limited itself to mentioning this fact in the final communique of the meeting.

Povilas Gylys said that a strong and negative reaction by some participants in the meeting was provoked by Russia's hints about a possible revision of the treaty on the reduction of conventional arms in Europe. Russia endeavors to link the demilitarization of the Kaliningrad region with the possibility of maintaining larger armed forces on its northern and southern borders. This was categorically opposed by Turkey.

Minister Povilas Gylys stated at the news conference that Lithuania is interested in the demilitarization of Kaliningrad, but at the same time understands the importance of the treaty on the reduction of conventional arms in Europe. Lithuania cannot be excluded from the European context, Povilas Gylys stated, adding that it would not be practical to maintain that Lithuania can influence that process.

Five New Ministers Sworn In

LD1506150994 Moscow ITAR-TASS in English 1258 GMT 15 Jun 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius June 15 TASS—Lithuanian parliament speaker Ceslovas Jursenas swore in five new ministers at the morning session of the Lithuanian Sejm on Wednesday.

Three of them will be put in charge of absolutely new governmental departments founded in accordance with the law on cabinet activities. Namely, Bronis Bradauskas will be from now on minister of environmental protection; Vladislavas Domarkas - minister of science and education (until recently he was deputy foreign minister); and Dainius Trinkunas - minister of culture (previously, he was at the head of Ministry of Culture and Public Education). In accordance with the abovementioned law, there will be two separate respective ministries from now on.

Another two newly sworn-in ministers stepped in the shoes of their predecessors. Sylviculturist Albertas Vasilyauskas will be minister of forestry and his namesake Aleksandras will be minister of economics.

Almost all of the new ministers are either members or supporters of the ruling Democratic Party of Labour.

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